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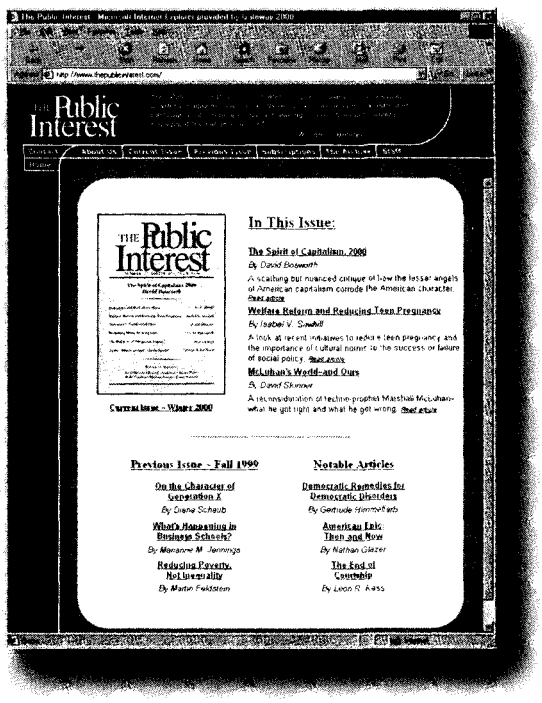

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Immigration in the new economy

IRWIN M. STELZER

THE populations of the world are on the move, propelled by oppression and poverty in some countries; attracted by job opportunities or by the relatively generous welfare benefits available in the world's richer countries; and facilitated by the declining cost of transportation, now organized by highly efficient "people-smuggling" gangs that control train, truck, bus, and shipping assets. The magnet countries are eager to welcome some immigrants, equally eager to bar others, and ambivalent about still others. So we are seeing a worldwide debate on immigration policy.

Debates about immigration policy are, of course, nothing new, either in America or in other industrialized countries. But the recent rise of organized people-smuggling rings—some 50 large ones, known as "Snakehead gangs," reportedly dominate the trade—has added a tragic dimension to the arguments. Fifty-eight Chinese attempting to enter Britain illegally from Belgium died when the ventilation system in the container truck in which they were secreted malfunctioned.

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Mexicans slipping across the American border frequently die attempting to walk across the deserts of Arizona. Very often, those who succeed in entering a country illegally are so indebted to the smuggling ring that they are forced to work at virtual starvation wages or in illegal trades such as drug running and prostitution. The smugglers charge as much as $24,000 to transport a person from China to Britain. Indeed, the fees are so high that the United Nations Office for Drug Control and Crime Prevention reckons that people-smuggling is now a more lucrative racket than drug-smuggling.

Estimates of the number of people seeking better lives in foreign countries vary. The most often cited is that of Britain's Home Office, which estimates that about 30 million people are smuggled across international borders every year in a trade worth between $12 billion and $30 billion annually. Even if we allow for the tendency of bureaucrats to inflate numbers in order to request increased budgets, we must still conclude that bringing desperate workers to where the jobs are is a very big business indeed.

Policy confusion

As with the drug trade, so with the people trade, the first reaction of policy makers is to interdict the traffic—step up border patrols, set up mechanisms for international cooperation, and increase the penalties levied on those caught aiding immigrants to enter a country illegally. In America, there are calls for more border guards and longer and higher fences along the Mexican border. In Europe, the 15 leaders of the member nations of the European Union met in Portugal and pledged to "intensify cooperation to beat such cross-border crime." In Britain, lorry drivers are now fined £2,000 for each illegal found hidden in their vehicles.

To no avail. The number of illegal immigrants swarming across the borders of all industrialized—i.e., "rich"—countries is increasing. In America, we are in the midst of what Harvard economist George Borjas calls the "Second Great Migration [which] has altered the 'look' of the United States in ways that were unimaginable in the 1970s." In Britain, the special police unit set up to staunch the flow of immigrants concedes that the number sneaking in through the port of Dover has

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increased by 500 percent in the past six years. Germany, France, and Italy all report a similar rising tide of men—it is mostly men—migrating to where the jobs are.

What to do? The policy of stepping up enforcement procedures is clearly not working. Which does not mean that such measures should be abandoned. After all, no geographic area can legitimately claim nationhood if it cannot control its borders or determine who may enter its territory.

Nor is the policy of attempting to distinguish among types of immigrants proving very successful. In America, Britain, and other countries, for example, efforts are made to distinguish between those immigrants seeking "asylum" and those "merely" seeking economic advantage. But separating real from bogus asylum seekers is often difficult, and not only because the immigrant has every incentive to concoct tales of persecution that officials in the host country have no way of challenging or verifying in many cases. Besides, the very definition of "persecution" is not always clear cut.

Must the asylum seeker's life be threatened? Or her genitals threatened with mutilation? Or should he be granted asylum merely if his ability to earn a living is circumscribed in his home country? Those who generally oppose immigration contend that asylum status should be reserved for those threatened with, say, ethnic cleansing, and should be denied to those merely suffering economic persecution. Sounds sensible, until one remembers the early days of Germany's assault on its Jewish population, when a tightening of the economic noose preceded the Final Solution.

So confusion reigns: The American government has returned to Fidel Castro's tender mercies those Cubans unlucky enough to be caught by our Coast Guard before they make it to our beaches; women's groups argue that asylum should be granted to females threatened with genital mutilation or forced marriages in their native country; and the British wonder whether Gypsies are sufficiently at risk of harm in their native Romania to warrant granting them the right to stay in Great Britain, where their aggressive begging and widespread dependence on the country's welfare system are causing a storm of protest from the middle class.

So let's clear away some underbrush. No serious policy

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maker can defend false asylum-seeking or illegal immigration. Nor can any serious policy maker argue that a nation does not have the right to control who should be let in and how many.

But this tells us very little about just what immigration policy should try to do, for it is the policy itself that determines what is legal and what is not. It is possible to oppose illegal immigration (and illegal anything, for that matter) while at the same time wanting to change the law that casts some, but not others, into the "illegal" category. So, too, with asylum seekers. It is policy—policy that can be changed—that defines the standards that distinguish legitimate from bogus asylum-seeking.

Three immigration principles

Broadly speaking, there are three possibilities. Immigration policy can be built on humanitarian principles: Accept all those whose lives can be improved by taking up residence in the country they seek to adopt. This group of immigrants might be classified as

> ... your tired, your poor,
> Your huddled masses yearning to breathe free,
> The wretched refuse of your teeming shore,
> ... the homeless, tempest-tossed....

At the other extreme, immigration policy might be based on ethno-cultural notions: A nation, it is argued, cannot allow any significant immigration without diluting its values, customs, and mores, and becoming a multicultural hodgepodge of peoples with such varied approaches to life as to become ungovernable. Advocates in America of what might be called a slammed-door policy would like to have a national review of current policy, with the object of declaring a moratorium on immigration until ... well, until some policy can be devised that permits only a very few to come to America. (And of course, the slammed-door camp will insist that the few let in be of a sort that does not threaten to dilute the "native stock" by adding to what it contends is the already unacceptable cultural, religious, and racial diversity of the American population.)

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Alternatively, and somewhere between the extremes of an open-door and a slammed-door immigration policy, is one based on the economic self-interest of the receiving country, designed to receive those immigrants likely to maximize the wealth of the native population.

Hip humanitarianism

In earlier times, it was possible to argue that an open-door policy served not only humanitarian purposes but the economic interests of the receiving country as well. After all, the tempest-tossed immigrants who were seeking better lives were willing to work hard at menial tasks and did not seek aid from the state, relying instead on their own efforts and a bit of help from voluntary agencies and their families. They and their offspring were destined in the end to enrich the nation that received them. So a nation could benefit economically from its humanitarianism.

But then came the welfare state, creating the possibility that the immigrant might be seeking a handout rather than a hand-up. The emergence of the welfare state in industrialized countries made it impossible to continue to argue that a nation could do well by doing good—that by adopting a relatively open immigration policy for humanitarian purposes it also served its economic interests by attracting a valuable stream of eager new workers. Thus closing the doors to all who might be a burden on the state came to be regarded by pragmatists as the unambiguously correct policy.

Yet it is arguably no easier to distinguish immigrants who might add to national wealth from those who will be a drain on it than it is to distinguish legitimate from bogus asylum seekers. As the *Economist* recently pointed out, for a city to be attractive to the young, internationally mobile, entrepreneurial types who are creating the new businesses and most of the new jobs in the economies of all of the developed nations, it must be trendy, culturally diverse—in short, "cool." That requires the presence of "young, trend-setting bohemians." And "for real bohemia you ... need immigrants ... to create cultural diversity and to challenge the complacent mono-culture."

Needless to say, these immigrants, who the new rich feel

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make a place "cool," are often poor—fledgling artists, fashion designers, musicians, even street vendors. Think of New York City, where the ambience created by the lower-income inhabitants of SoHo proved an attraction to those hip, high-tech, high-income types who developed Silicon Alley, even though they could as well have operated from California's Silicon Valley or Scotland's Silicon Glen. (That the invasion of SoHo by the new technocracy might be driving out the ambience-creating artists is a story for another article.)

So what might seem a purely humanitarian policy of accepting penurious immigrants might not, after all, be devoid of economic advantages to the receiving nation. Indeed, even an informal policy of benign neglect toward poor, illegal immigrants—and such a policy has a certain appeal to those who think that immigration policy should be based on humanitarian considerations—has clear economic advantages. In America, for example, there is no question that without the six million illegal immigrants estimated to be in the overstretched labor market, upward pressure on wages and hence on inflation would be greater, interest rates would have to be higher, and economic growth slower. If you doubt it, just ask Federal Reserve Board chairman Alan Greenspan, who credits immigration with enabling the economy to grow more rapidly, without inflation, than it would have done had America closed its borders to immigrants.

New wrinkles

The difficulty of separating humanitarian from economic considerations is not the only thing that is bedeviling policy makers. Various interest groups push for different immigration policies. Employers of high-tech workers are everywhere pressing for a relaxation of restrictions on workers with programming and other skills. Employers of workers at the other end of the labor market—gardeners, bedpan emptiers, unskilled construction workers, hotel workers—are everywhere urging their governments to open their doors to applicants, and to relax efforts to hunt down and deport illegals.

Meanwhile, trade unions, traditionally opposed to immigration, suddenly find themselves conflicted. They know that immigration puts downward pressure on the wages of native-

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born Americans without a high-school diploma, and fear that job-hungry immigrants make handy strikebreakers. And they argue that even high-tech employers are pressing for more immigrants so that they will not have to bear the cost of training American citizens for the jobs opening up in the industries of the future.

But some unions also know that immigrants constitute the best pool from which to draw future members. The recent successful strike of janitors and office cleaners in Los Angeles provides a case in point. Los Angeles has long been hostile territory for union organizers. But Local 1877 of the Service Employees International Union was able to organize some 8,500 office cleaners—98 percent of whom are immigrants from Mexico and Central America with a tradition of street marches and labor activism—into an effective economic and political force. Such situations are forcing unions in the hospitality, office, hospital, and other industries to reexamine their traditional opposition to immigration. They have even begun to call for amnesties for illegal (the more polite term is "undocumented") workers and for an end to prosecution of employers who hire them. These unions can count on support from the public-sector unions, which see low-wage immigrants as potential new "clients" for the services rendered by their members.

The unions' once-solid opposition to immigration thus no longer is quite so solid. The AFL-CIO is in the process of reexamining its policy, in the hope of finding one that will satisfy both those unions that see immigrants as their members of the future and those that see immigrants as threats to the wages and jobs of their members. And America's politicians, eager for both the votes of increasingly politically active Hispanics, and those native-born voters who are most affected by the social and fiscal problems associated with the current wave of immigration, are tiptoeing around the issue. The hard-line Republican opposition to immigration has melted as the proportion of Hispanics in the key states of California, New York, and Florida has risen. And the Democrats no longer face a trade-union movement united against further immigration.

But both parties know that many in the middle class object

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to changes in the "look" of America. They also know that America's unskilled workers—the very ones most threatened by what has come to be called "globalization"—are well aware that they are the ones who will pay the price for a continued influx of workers willing to work harder for less. So our politicians vacillate and worry just what to do. No satisfactory policy being available, they temporize by raising the quota for this or that group.

The view from abroad

American politicians are not alone in their dilemma. European policy makers also find themselves caught between a rock and a hard place. Increased longevity combined with decreasing birth rates is creating the prospect of a larger and larger number of retirees receiving pensions paid for by ever-rising taxes on fewer and fewer workers. By one estimate, Europe would have to take in 100 million immigrants by 2050, rather than the 23 million it plans to allow, to keep its population from falling. Nevertheless, and despite Europe's need for a large number of young, taxpaying immigrants, no mass influx is likely to be politically acceptable.

And yet the European Union has announced its intention to overtake the United States in the high-tech industries. To achieve that objective, the EU needs more skilled workers. So a drive is on in some European countries to attract immigrants with the skills needed to convert Europe's old, high-unemployment economies into new, job-creating ones. German chancellor Gerhard Schröder has announced that "German education with its focus on heavy philosophical concepts does not turn out the people we want." As a result, he is proposing that some 20,000 green cards (conveying the right to work in Germany) be issued to foreign computer specialists, primarily from India and Eastern Europe.

He will face some tough competition for those workers, and not only from America. Executives of Israeli high-technology companies have asked the government to issue two-year visas to 10,000 foreign high-tech workers. Canada continues to attract foreign workers with its hassle-free immigration policy for those who meet its skill- and education-related standards. Ireland, with an economy that is overheating (annual growth

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rate close to 9 percent) is planning job fairs in the United States, Europe, and Canada in the hope of attracting 200,000 skilled workers. In Italy, the government has announced that immigrants who arrived before March 1998 and have a job and an address—between 200,000 and 300,000 in number—can apply for a "no questions asked" residence permit, even if they entered the country illegally.

But there is by no means a worldwide consensus in favor of a looser immigration policy. Israel's labor and social affairs minister opposes visas for the skilled, fearing that an influx would discourage growth of homegrown high-tech workers. Canadians, the most liberal of all, are upset by scandals involving the illegal importation of Chinese workers, and the subsequent need to support the intercepted illegals while they avail themselves of the years-long appeals process. In Germany, Schröder's opponents are rallying support behind the slogan, "More education instead of more immigration." France, a country in which one-third of the companies cannot expand for lack of skilled workers, according to the Bank of France, is adhering to the Gaullist "zero quota" policy: Last year, the government issued only 4,300 work permits to foreigners. In Italy, Silvio Berlusconi's center-right opposition party is attacking the government for granting residence status to immigrants with forged documents. The views of Austria's government are too well known to need repeating here.

But, alas, the views of Austria's Herr Haïder are more representative of European and other host-country opinion than those who remember that country's historic receptivity to anti-alien doctrines would wish. Responding to a recent poll by the European Commission, 66 percent of the citizens of EU member states said they are "a little racist," while the balance said they are either "very racist" or "quite racist." These Europeans blame immigrants for rising crime rates, unemployment, and high welfare spending. In Canada, where the government is aiming to increase immigration by 50 percent to attract young taxpaying workers to support its overstretched welfare system, almost 30 percent of Canadians believe too many visible minorities are being admitted, and 50 percent think immigration rules are too lax. Even liberal Britain is in a stir about the rising number of asylum seekers, many of them

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counterfeit and many of them Gypsies, who aggressively beg on the streets of London and other towns.

Immigrants without immigration?

The difficulties confronted by European policy makers are demonstrated by recent events in El Ejido, the richest town in Andalucía. Moroccans make up a huge portion of the work force. When a deranged Moroccan killed a Spanish woman, townsfolk rioted in the streets. In response, Moroccan workers went on strike, paralyzing the town's economy. The town's Spanish inhabitants blame the Moroccans, most of them illegals, for the rise in rapes; the immigrants complain of low pay and inadequate housing. The mayor's solution is to import workers, temporarily, and then have them "go back to their own countries." It's a popular but not very practical position, given the difficulty of controlling the movement of immigrants and the high demand for agricultural and other manual laborers throughout Europe's recovering economies, as Germany's experience shows. Most of the so-called "guest workers" that Germany admitted from Turkey on a temporary basis not only stayed but have been joined by their families, so that over two million people of Turkish origin now reside in Germany.

Andalucía represents the future, one in which nations and regions will want the work immigrants do without having immigration. In the end, the need for workers of all sorts will dominate policy, de facto if not de jure. The demand for unskilled workers who take the jobs rejected by richer Europeans and Americans will overwhelm worries about the social problems associated with these workers. And since the high-tech economies of most of the industrialized countries are scheduled to grow rapidly in the next several years, the need for skilled workers will mount, and with it the willingness of all nations to welcome skilled immigrants. Every country will try to attract only the highly skilled, and then on a temporary basis, but like it or not, every country will need the unskilled, whether they be Moroccans in Spain, Turks in Germany, or Mexicans in America. That's the demand side.

On the supply side, ambitious job-seekers and malingering welfare-seekers will find ways to get into the countries that offer them opportunities to earn paychecks or qualify for wel-

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fare checks. Improved and cheaper transportation, plus better organization of human smuggling by Mafia-style gangs, will facilitate the matching of the supply of, and the demand for, immigrants. This will be welcomed by some employers and even some trade unions, as well as central bankers, who prefer to see the work force in their countries expand rather than institute repeated growth-stifling and politically unpopular increases in interest rates. (Witness Greenspan's support for immigration on the grounds that "all of the evidence I've seen suggests that people seeking to come to the U.S. are coming for jobs.") In contrast, the middle classes, and organizations of the lowest paid workers, the latter often ethnic minorities represented by vocal and effective politicians, will oppose increases in immigration.

Toward a new immigration policy

Formulating immigration policy that is both sensible and politically acceptable is no mean trick in these circumstances. Perhaps a place to start is with the proposition that the free movement of labor resources, like that of goods and of capital resources, enhances efficiency. This creates a bias in favor of an open immigration policy that does not distinguish real from bogus asylum-seekers. For example, take those who want to work and who can find work, and don't offer them government handouts. This policy would make economic sense, but it would not overcome the opposition of those who fear the social consequences of an open door policy.

Such opposition can be lessened by linking a generous immigration policy to three other measures. First, assimilation must once again be required of newcomers. English is essential to citizenship—period. Second, since the economic goal of open immigration is to increase the supply of labor—of people willing and able to work—in order to permit a noninflationary growth rate closer to 5 percent than to 2 percent, we should deny welfare benefits to new immigrants. This would discourage the lazy and the incompetent from seeking entry, and should moot some of the political opposition to immigration. Finally, a firm policy of the immediate deportation of lawbreakers, from rapists to beggars, should ease middle-class fears about the police's inability to maintain the zero-toler-

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ance policy that has again made America's cities inhabitable.

These are the broad outlines of an immigration policy that will enrich the nation while reducing some of the opposition to the social consequences of immigration. But there is more to a nation than its GDP. So we should, for humanitarian reasons, live with the difficulties of a policy that allows entry to the demonstrably persecuted and to those genuinely seeking to be reunited with their immediate families. Only then will the countries of the world have a set of immigration rules that makes economic sense, avoids increasing crime and tax rates, and permits policy makers in host countries to feel that they have done the right thing, both by immigrants and their own citizens.

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Paradoxes of welfare-state conservatism

STEVEN M. TELES

AT times an unbridgeable gap seems to separate the policy sciences from the practical world of politics. Politicians complain that policy analysis is not "useful" to them, and policy analysts lament what they see as politicians' ignorance of even the most rudimentary analytical principles. This gap is not simply a matter of willful obscurity on the one side or policy illiteracy on the other. Rather, it reflects a conscious choice of policy experts to eschew political and institutional analysis in favor of a more pure science of policy.

The costs of such a choice can be seen most clearly when analyzing America's largest social-welfare program—Social Security. Critics of social insurance make arguments that are by now astoundingly common; their techniques of analysis are almost always dependent upon an accepted, but morally and politically suspect, set of assumptions. Moreover, these assumptions are radically utopian, and thus a dangerous foundation for reasoning about social institutions like the modern

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welfare state which are deeply embedded in social life. I will lay out, in the context of a discussion of pensions, a way of approaching welfare-state questions that differs from modern libertarian arguments and also from the "progressive" arguments that have dominated welfare-statist approaches up to the present.

My argument is that one of the outcomes of a public policy is the politics it creates. Policies are more than mechanisms for the solving of problems: They are also contexts in which future policy battles will be fought. Put another way, policies do not simply operate *within* a context—after they are implemented, they *are* the context. If this is true, it is impossible to design policies rationally without taking politics into account. If the outcomes of public policies are both their effects on clients *and* on the character of public debate and institutional development, then the artificial academic division of labor between "policy analysis" and "policy process" must be collapsed. Introducing political considerations necessarily adds an element of indeterminacy to the process of policy analysis, one which goes hand in hand with a temperamental conservatism. But one might ask whether such a thing as *conservative* policy analysis exists, and if it does, whether it could tell us anything useful about the entitlement reform debate in the United States and elsewhere. Understanding conservatism properly, the answer to both questions is yes.

Politics and policy analysis

What is the relationship between politics and policy analysis? It is obvious that policy analysts are not "philosopher kings," handing down perfect policies to a waiting world. In fact, politicians regularly ignore the recommendations of policy analysts, making decisions that the latter consider "irrational," or "not informed by the evidence," or "not the best practice."

One solution would be simply to ignore the world of politics, to hide behind the mask of science. This approach views policy analysis as akin to basic science and the political world as akin to engineering. Should we change our recommendations just because the engineers keep screwing up? Isn't it our job to discover the truth, and if the world ignores it, so much the worse for the world?

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This would, of course, be one solution, and it is far less rare than my (admittedly cartoonish) description might suggest. But policy analysts are *not* like basic scientists: Our very job is to make recommendations, and the very act of recommending includes some sense that those being advised, the politicians, must be taken into account. But how?

A second approach would view the political world as a series of obstacles to the "one best way." That is, policy analysts must start out by determining "the truth," but they would then take into account the need to have their proposal passed by real legislators and administered by real bureaucrats. The job of the policy analyst, in this model, would be to discover how to shape policies that are attractive to legislators, while ensuring that they are not warped by the bureaucrats in charge of implementation.

This approach is an enormous improvement over the first. If taken a bit further, the policy analyst might even adjust his recommendations to take into account "political reality"—for example, by removing obviously unpassable provisions or eliminating aspects that will be difficult for bureaucrats to administer. In the extreme case, the policy analyst might even get into the business of recommending changes in institutional structure, if it is discovered that the "best policy" could not be passed or administered under current circumstances. This is very close to the approach that the political scientist Lawrence Mead has suggested in a recent set of stimulating essays. If more of this went on, policy analysis would certainly be taken more seriously, and would have a greater effect on the world.

That said, there is something deeply unsettling about even this approach. It makes the critical assumption that the relationship between policy analysis and politics is one in which all reason flows in a single direction, from those with "knowledge" to those with "power," from what "ought to be" to what "is." In a nontrivial set of cases, however, those with power have information that those who claim to have knowledge should pay heed to, and in many cases, what "is" is at least as trusty a guide to what "ought to be" as arguments based upon an abstract view of the right or the good. This is by no means true for all policies, at all times and all places. But in some

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very important cases, policy analysis that reasons backwards from what is to what should be is superior to its opposite.

The problem with abstract reason

One problem with standard policy analysis is that it assumes greater information than actually exists. Typically, the policy analyst compares existing policies with some abstractly determined superior state. That is, the real is compared with the ideal and found inferior, and then recommendations are made to implement the ideal.

The problems with this should be obvious but usually aren't. First of all, we know a great deal about existing policies: Their very existence allows us to discover how they will work in a very complex world. We can see how they are handled by busy bureaucrats with other things on their mind, competing institutional pressures, and limitations of resources and competence. We can discover how they interact with difficult-to-model clients and how they mesh with other social programs.

Of even greater importance, we can see how existing policies influence those in charge of their continued existence. Do the policies have a tendency to flourish politically, developing supportive interest groups, protective political institutions, dependent private or nonprofit groups, and popular legitimacy? Do legislators have an ability to cut them when times are tough, and do they expand them when times are good? Experience can give us relatively accurate answers to these questions, about how a policy exists *in time*.

About ideal policies we can have much less certain knowledge. In the ideal world, policies are typically carried out as the analyst suggests, are supported politically as he wishes, and are not deformed or diminished over time. The policy analyst working on the basis of an ideal can constrain actors, hypothetically, to do his bidding. In the real world, of course, he can do none of these things. A policy analyst's advice is best thought of as being a kind of orphan, wrapped in swaddling clothes and left on the doorstep of the political world. Once the policy analyst places it there, he may have dreams about how it will be treated, but unless he is able to raise it himself, to watch it every waking hour, its future is more or less out of his control.

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The informational disjuncture between existing policies and those based on abstract reason was once well understood, by conservatives especially. A writer not unknown to the pages of this journal even gave it a name, the "law of unanticipated consequences," which held that the consequences of a policy anticipated by the analyst would always be dwarfed by those he had not anticipated. The world is more complicated than even the best model an analyst could devise. Human beings do not always react to public policies in the way policy analysts would hope, and, as I will argue later, neither do politicians. Once, it was the Left that lost itself in utopian policy making, but today it is conservatives who are most likely to push for grand, abstract schemes. The law of unanticipated consequences now weighs more heavily on those who would "privatize" or radically reform the welfare state than on those who would defend it.

Oakeshottian policy analysis

If the foregoing argument is persuasive, this suggests a terrible problem for policy analysis. But for the moment, I would pull back from the extreme form of thinking about "unanticipated consequences" to observe that there are times when reasoning from first principles to policy recommendations is unavoidable. When there is no tradition or "existing practice," conscious and concerted social action may be necessary. To argue otherwise would be to counsel inaction in the face of pressing social problems. Furthermore, there are occasions when existing practice is manifestly unacceptable, where the obvious consequences of current policy are disastrous. At such times, abstract reason is our only hope.

But in advanced industrial countries, such as the United States, the more common situation is one of tolerably sufficient policies that adequately deal with the problems they were devised to ameliorate. And thus the first instinct of the policy analyst should be to reason backwards from existing practice to policy recommendations.

The first question of the policy analyst in this mode is, "Does this program seem adequately supported?" That is, is it capable of sustaining its legitimacy, garnering adequate resources, and generating sufficient consent from society to per-

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petuate itself? Second, does the program seem to generate any obvious and clearly detrimental consequences? Before asking whether it seems to do much good, therefore, the policy analyst should ask whether it does any harm. Third, does the program appear to serve adequately at least some of the multiple tasks that people expect of it? In many cases, the answer to these questions would be yes or, "sure, for the most part." In these cases, the policy should be taken as the starting point: One would ask how to improve it at the margins, operating within its own assumptions, rather than judging it from some outside vantage point. Piecemeal reform would make sense for a program like this, since radical surgery on its faults would very likely disable what it does well, and so do more harm than good.

The obvious criticism of this approach is that it is conservative. Quite so. It is the conservatism of Michael Oakeshott, who defined conservatism as a disposition that "asserts itself characteristically when there is much to be enjoyed, and it will be strongest when this is combined with evident risk of loss." It is a conservative disposition that is cautious about grand claims of human knowledge or speculative certitudes about improvement. Most important, it reminds us of the dangers of radical change, since "innovating is an activity which generates not only the 'improvement' sought, but a new and complex situation of which this is only one of the components. The total change is always more extensive than the change designed; and the whole of what is entailed can be neither foreseen nor circumscribed." Thus, Oakeshott concluded, "the man of conservative temperament believes that a known good is not lightly to be surrendered for an unknown better."

Oakeshott's argument reminds us that policy analysts, like reformers of any sort, cannot reshape the world purely on the basis of their particular preferences. In advanced industrial countries, the policy analyst rarely faces an empty field of play. Quite the opposite. In most policy arenas, there already exist a dense network of policies, many of which have become woven into the fabric of society. The policy analyst, therefore, has to ask himself what policies would be best given already existing policies and institutions. He must ask whether the disruption of existing arrangements is justified by some very

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compelling problem, and whether incremental changes could substitute for more comprehensive ones. He wishes to understand the *reason* of existing arrangements before imposing some abstractly derived better alternative.

The enemy of the good

The best recent effort to make an argument along these Oakeshottian lines can be found in Avinash Dixit's important book, *The Making of Economic Policy*. Dixit's argument is a form of what economists call the "theory of the second best." Roughly speaking, all policy analysis assumes that we are working in a second-best world. In standard microeconomics, in the "first-best" world, there would not be externalities, collective-action problems, public goods, or adverse selection. But obviously there are. So economists recommend policies that will maximize utility within the constraints posed by market failures. Dixit suggests an additional complication, however. This way of analyzing policy assumes that government is a frictionless delivery mechanism for policies that will bring society closer to the second-best. Again, almost no one would seriously suggest that it is. Governments face "transaction costs" in making public policy that are inherent in the structure of democratic government, just as market failures are endemic to systems of free exchange.

The important step in Dixit's argument is that many of the policies economists recommend on the basis of the theory of the second best may actually be worse than alternatives that are "sub-optimal" when the operations of the political system are taken into account. For example, a multilateral rule establishing complete free trade could be demonstrated to maximize social utility over the long run. However, such a rule—which would forbid temporary protection during economic crises—might force a state to pull out completely from a global trading regime. The second-best option, in contrast, might incorporate limited protection within a general rule of free trade. What is critical is that in trying to get the first-best—complete free trade—a politically naive analysis could end up with the third-best, which would be defections from multilateral institutions.

This is why theoretical policies will *always* have an advan-

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tage over existing policies, for the simple reason that we have no idea whether they are likely to be faithfully implemented or politically protected. In the abstract, first-best policies never decompose into third-bests; in the real world, they do. Existing policies have a tendency to look bad, in part because they have already incorporated political and administrative decomposition. Thus policy analysts should try to appreciate the compromises built into existing arrangements before they find them wanting.

This is not to say that policy analysts should just pack their bags and go home—that all is for the best in the best of all possible worlds. Far from it. The critical question is where policy analysis starts from. If the foregoing argument is persuasive, the first step must be to account for what already is. The analyst must ask himself if existing policies serve tolerably well a defensible set of goals. If they do, and with full knowledge that any "new order of things" contains within itself a degree of unpredictability, the policy analyst should be highly suspicious of any resort to first principles. Only where existing policies seem to serve no defensible set of goals or values reasonably well should the policy analyst begin anew.

This suggests that the policies an analyst would recommend would differ quite markedly depending upon a society's policy legacy. What is more, even the mode of thought that he would deploy would differ substantially depending upon the policy context. In a nation with a stable, defensible set of policies, the analyst should reason backwards from what already exists, rather than starting from an abstract ideal.

Even where the policy analyst had no existing policy to start from, he should reason backwards from politics to policy recommendations. He would ask, first and foremost, what sort of policies would stand the best chance of lasting into the future. This would require that he ask what sort of policies could successfully constrain future policy makers, either because they conformed with deeply held political values or because their internal structure gave future decision makers little choice. Second, he would ask what policies could be administered by bureaucratic and social institutions as either currently constituted or reasonably reconstituted. Third, he would ask whether policies that passed the first and second hurdles

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could possibly be agreed to by legislators. Only at the end would he ask whether the recommended policy passed some abstract standard of good or right. That is, the first two criteria should delimit the set of possible policies *before* the desirability question is even broached.

Ideal policy and pensions

Too often analysts more comfortable with a "political" approach to policy analysis demonstrate the dangers of abstract reason by criticizing the policy positions of those they oppose. Such an approach has its drawbacks, however, since it suggests that the resort to "political reason" is nothing more than a convenient cover for policy preferences derived from some other source. Usually the position critiqued becomes little more than an easily dismissed straw man. Instead of a straw man, I will use my own ideal policy preference to illustrate the political approach to policy analysis, showing how my own "abstract" preference for pensions policy should generally be disregarded, or at the very most, applied differently depending upon national context.

Were I in an abstract, apolitical mode of analysis, my preference would be for a pensions policy with a flat "first tier" set at a reasonably generous percentage of average wages (say 30 percent) and funded from general revenue. In my view, a flat first tier is preferable to a means-tested system in that it minimally distorts savings behavior, since its recipients would always be able to draw upon 100 percent (minus normal taxes) of whatever they saved during their working life. In contrast, a means-tested system, however devised, always creates problems of moral hazard.

I prefer a flat first tier to an earnings-related system for two principled reasons as well, one egalitarian and the other libertarian. The egalitarian reason is that given the same revenue, a flat-rate system is more redistributive (by definition) than one which gives more to those with higher lifetime earnings. The libertarian reason is that I view the provision of pensions beyond the poverty line as impinging upon a function which is properly private: There is no reason why governments need to hold a monopoly on a large portion of retirement savings, when other forms of collective provision are

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possible. Where general revenue is concerned, my reasons for preferring it to wage-based contributions are simple: Any such revenue source necessarily serves as a disincentive to hiring, creates incentives for off-the-books employment, and is highly regressive (there are technical economic reasons why these patterns may not apply further up the wage scale, but these are beyond the scope of this essay). That is, wage-based revenue necessarily harms the welfare of those with whom the welfare state should be primarily concerned and reduces the overall progressivity of taxation.

Most advanced industrial countries have at least two tiers of pensions. In the United States, the first tier (Social Security) is income-related and modestly redistributive, while in Britain, the first tier is made up of the Basic Pension (flat) and means-tested assistance. In both countries, a second tier has been added on top of this first tier. In the United States, this second tier is voluntary but highly regulated and subsidized in the form of company pensions, IRAs, 401(k)s, and other savings devices. In Great Britain, the second tier is mandatory and consists either of the state earnings-related pension (SERPS) or the "opted-out" company or personal pensions.

Advocates of Social Security privatization essentially wish to collapse the first tier into the second, by turning all public-pension systems into a form of mandatory private savings, with a small public, redistributive component. On the other hand, there are many pension analysts who, impressed by the low levels of national savings and the unwillingness of the public to put aside enough for retirement, counsel expanding the second tier while not materially changing the first. This second group includes those who wish to expand the level of "compulsion" to set aside funds for retirement, or those who would increase the (already substantial) incentives for tax-sheltered savings.

My ideal pensions policy would go in neither of these directions. Any form of compulsory private savings necessarily pulls the government into a very close—and to my mind illiberal—relation with private finance. By requiring private savings, the government pursues essentially public goals through the use of private instruments. This "public use of private

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markets" is especially popular in "Third Way" circles. In fact, one might say that "public-private partnerships" are the key metaphor of the new liberalism of Clinton and Blair. The entire concept, however, is deeply troublesome. First and foremost, partnership and regulation go hand in hand: The more private markets are depended upon to pursue public functions, the more they must be actively reshaped in the image of their regulators. Regulated markets necessarily lack some of the "animal spirits" that characterize, and provide the necessary dynamism of, private markets. On the other side, such "partnerships" mean that the state enters into a dependent relationship with private actors, with the significant risk that it will be forced into a "boosterism," rather than a "referee," role vis-à-vis private actors. More classically republican analysts would call this corruption. Of even greater danger, the more the line between what is "state" and what is "private" erodes, the greater the political incentives are for blame-shifting and evasion of responsibility. This inevitably makes effective democratic governance more difficult.

Finally, there seems to me no necessarily public reason for any kind of publicly recognized second tier. In a liberal society, whether people do or do not save for their retirement should be up to the individual: Concern for national savings can be met through the government's purchase of its own securities (by running a surplus). Unlike means-tested schemes, flat-pension schemes do not create the necessity for forced private investment to compensate for the intrinsic savings disincentives created by means-tested programs. Flat-pension systems make a retirement without poverty available to all, but make any greater comfort the result of individual or voluntary collective action. It seems hard to square any more expansive state role with even my own very activist form of liberalism.

The Beveridge plan

So much for my account of the "ideal" pension scheme. The rest of this essay will be devoted to demonstrating why my ideal is fraught with political flaws and would tend, over the long term, to serve its own ends less well than alternative schemes that start from a much different point. One does not need to share my political commitments to find merit in the

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exercise—in fact, the details of the "ideal pension scheme" could be altered substantially and the thrust of my argument would still stand.

My ideal is, in fact, quite close to the original Beveridgian model that undergirded the postwar reconstruction of the British welfare state. Beveridge wanted to base the welfare state on a model of flat, "subsistence" pensions because, on the whole, he was a liberal. He wanted simultaneously to relieve need and encourage self-reliance and voluntary, unplanned cooperative action among citizens. Historian Jose Harris has observed that "he saw social welfare as fundamentally bound up with ideas about good citizenship.... One of his central aims as a social reformer was to protect and nurture that ethic of private citizenship—not replace it by mechanical state provision, but to harness it and integrate it into the structure of public life." Beveridge's fundamental principles were closely aligned with my own, as were his basic policy proposals.

Looking back, however, it becomes clear that his model for old-age pensions was inherently unstable. The basic, flat-rate pension he developed as the foundation of old-age policy was incapable of generating sufficient political support to keep it high enough to alleviate poverty, and eventually it was overtaken by means-tested benefits. In Britain today, because the threshold for means-tested benefits is above the flat-rate pension, for those with very low income, the basic pension is purely notional: They live in a world of means-tested benefits. On the other hand, the basic pension was unable to maintain itself at a high enough level to forestall the creation of a state-run earnings-related pension on top of it, albeit one which (because of the development of private pensions) has been reserved mainly for the poorest workers. The consequence is that a system designed primarily to avoid means-testing is, in fact, dominated by it.

Beveridge hoped that his flat-rate benefits would provide a sturdy foundation for British citizens to develop their own self-managed and -owned systems of private insurance. This was a critical assumption, for the chief virtue of his liberalism was self-reliance: Individuals learned to be citizens by making the major decisions of their lives. It was this sort of private sector, not one dominated by insurance companies, which

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Beveridge wanted to encourage. However, in practice, what Britain ended up with was quite different: friendly societies (organizations managed by workers themselves) withered; insurance companies and large pension firms grew; and the room Beveridge left for private effort was filled by interests that delayed until the 1970s the implementation of an income-related second pension, which would at least have preserved the contributory principles he believed in. What is more, the susceptibility of the basic pension to low-visibility cuts has created substantial pressures to use the regulation of private pensions as an alternative to public action, a decision which has led, paradoxically, to a massive expansion of government control. In short, my "ideal" has decomposed, in the political heat of the not idiosyncratic laboratory of Great Britain, into its opposite.

What of the United States? From the perspective of my "ideal" pension policy, there is much to dislike about the U.S. pension system. It imposes a very high payroll tax, the revenue from which is used both for redistributive and income-replacement functions. The United States has fairly substantial policies for the subsidy and regulation of private pensions, thus potentially creating serious political problems of the interweaving (and thereby blurring) of public and private.

The great difference between the British and American systems, over time, turns out not to be their initial differences, but their contrary political trajectories. The British system evolved away from its original conception into a much less desirable one. Moreover, it has become increasingly unpopular and unstable, leading to recurrent waves of "reform," few of which have stuck. The American system, on the other hand, has evolved toward a greater concern with "adequacy" (redistribution) and a diminished concern for "equity" (the relationship between contributions and benefits), in part because the presence of some equity functions provided political cover for an increasing focus on adequacy. What is more, the relatively strong, income-related nature of Social Security has meant that no party has seen the need to create a mandatory second-tier on top of the program, keeping all government interference in private markets limited to voluntary encouragement or oversight.

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In short, the American system serves more of the functions that the British system aimed at, in part because it pursued those goals in a less-than-direct manner. In retrospect, Beveridge's approach was too pure, too principled one might say, and this purity of principle has led to an inferior outcome.

America vs. Britain

The core, and probably by now rather tired, claim of the politics of policy analysis field is that "policy makes politics"—that is, that policies contain within themselves "rules of the game," incentives or disincentives for political organization, self-defensive mechanisms, and so on. To discover why the "ideal" pension policy devolved into something altogether unsatisfying, while a pension policy less than ideal evolved into something quite satisfactory even by the standards of the "ideal," we need to examine the political pitfalls of the Beveridgian structure.

The primary reason for the sustainability of the American system and the collapse of the British system is, to use political scientist Paul Pierson's useful terminology, the comparative policy "lock-in" of the two systems. Income-related pension systems accompanied by "trust-funds" that must maintain actuarial balance tend to generate popular feelings of entitlement. In addition, they create substantial "transition costs" in order to move to another, "funded" alternative. This means that once they have been in operation for a substantial period of time, it is almost impossible to renegotiate the fundamentals of the policy. Moreover, social-insurance policies like Social Security are inherently expansive, since funding problems can most easily be accommodated by extending the policy to new groups, rather than cutting back benefits or engaging in fundamental restructuring. Flat pensions without trust funds do not exhibit these same characteristics, and are therefore more susceptible to benefit reduction or fundamental renegotiation.

Even more fundamentally, there are reasons to think that any pensions policy which leans too heavily on either the equity or the adequacy side is likely to be renegotiated in the future. MIT professor Martin Rein has found that heavily in-

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surance-based systems tend gradually to incorporate greater redistributive components, while more redistributive systems seem gradually to incorporate more insurance-like elements. So, on the one hand, classically Bismarckian systems like Germany and the United States have slowly changed in a more redistributive direction, while more egalitarian systems like Sweden, Australia, and Britain have added an earnings-related tier.

This inherent tendency toward a blending of functions drives economists or public-choice analysts crazy. By definition, no single system can optimize on both equity and adequacy. As a result, it is easy to demonstrate that hybrid systems are insufficiently redistributive or fail to generate as high a "rate of return" as private market instruments. But such analysis fails to grapple with the political imperative of hybridity. Failing to accept this imperative entails the substantial risk that the policy an analyst recommends will morph into something he cannot control and would probably never approve of. Simply as a matter of professional ethics, the policy analyst needs to hold himself responsible for the actual consequences of his recommendations, not merely what he intended. If this is the case, the "political" approach to policy analysis becomes unavoidable.

Reforming Social Security?

So where substantial policies already exist, policy analysis must begin with the question: "Is there something here worth conserving?" In addition, a secondary question must be asked: "What are the dangers associated with policy alternatives?" As the political approach to policy analysis would predict, asking these two questions first leads to very different policy recommendations for the United States and Britain.

The reform of state pensions is at the top of the policy agenda in both countries but for very different reasons. In the United States, the issue has been driven to the top of the agenda not by any structural flaw in the program but by the likelihood that its current tax rate will be insufficient to cover its future liabilities. A few aspects of this problem, which is no worse than similar conditions the program has faced in the past, deserve mention. First, the problem is speculative, driven

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by calculations about the future which may or may not be correct. Second, it is forward-looking, in the sense that it is driven by problems that analysts believe will occur in the future, rather than by tangible problems in the present. These two facts violate most of what political scientists believe about the American political system, namely that it is shortsighted and incapable of planning. As political scientist Eric Patashnik observes in a forthcoming book, due to the peculiarities of trust-fund financing, the politics of pensions in the United States is perhaps more forward-looking than in any other advanced industrial country.

The "crisis" that Social Security advocates decry threatens to overshadow the program's many successes. Whatever its flaws—and some of these were suggested earlier—Social Security provides reasonable retirement security to nearly all Americans. Old-age retirement is now a small-scale problem in the United States, and few older Americans are forced to rely on means-tested assistance. What is more, Social Security is politically stable. Despite the attacks on it in recent years, and the prediction that it will "go bust" in the future, Social Security has never missed a payment and has maintained the level of its benefits, and the political coalition that sustains them. The arguments against it, therefore, are premised upon claims that some other system would be even better or that the system cannot maintain itself in the future. What opponents cannot claim is that Social Security has not pursued a defensible goal with tolerable success, the standard I defended earlier.

This is not to say that no changes in Social Security are advisable. Clearly, it is worth reining in somewhat the level of Social Security benefits, especially for higher earners. In addition, it may be worth adding a new tier of retirement savings on top of, but not completely independent from, Social Security, in the form of individual accounts.[1] But the critical reason for making only incremental changes to Social Security

[1] I must admit my strong disagreement with such a policy, however. It seems unlikely to me that such a policy would increase retirement savings. Its more likely effect would simply be to divert funds that would be saved in some other way into the new accounts. Its only effect would be on those who are not currently saving, and for these individuals (who tend to be poorer) it would be tantamount to a new tax on labor.

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has to do with the "transition costs" of moving to a different system.

In the Social Security debate, the concept of "transition costs" typically refers only to the program's unfunded liabilities, which must be paid off in order to move to a funded system of pensions. This, of course, implies that one generation will pay taxes twice: once to pay off the old system and then again to build up their own pension.[2] Thinking of transition costs in this way is excessively rationalistic. It assumes greater knowledge than policy makers actually have. It suggests that all of the costs of moving from the current system to another one can be accounted for. But when we use the concept in a more political sense, the costs of transition appear significantly higher.

First and most importantly, Social Security is deeply embedded in the structure of American society. Company pensions assume the presence of Social Security, as do the investment patterns of individual Americans. Individuals are able to be riskier in their private savings because Social Security provides them a form of diversification and a level of risk protection that they could not purchase in the open market. The presence of Social Security has removed the need for large numbers of Americans to invest for their own retirement, thereby reducing the transaction costs and the worry associated with private investment.[3] The relations between old and young in the United States, and between men and women, have been dramatically altered by Social Security: It is impossible to predict how they would be changed by the various privatization proposals.

The politics of reform

Even more critically, the advocates of structural reform in Social Security, whether liberal or conservative, tend to un-

[2] It may be possible to spread these liabilities more widely through longer-term debt mechanisms or through consumption taxes (which would hit the current elderly, who have a high propensity to consume relative to young workers).

[3] Conservatives typically argue that government should take into account individual and corporate compliance costs when judging the costs of regulations and the tax code. The off-the-books cost of educating oneself in the financial market—which cannot be seen as a collateral benefit, since there is no intrinsic value to knowing the merits of different mutual funds—clearly has to be counted as a loss.

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derestimate the political uncertainties that accompany their proposals. On the left, many "defenders" of Social Security have proposed investing part of the surplus in equities, so as to increase the "return" on payroll taxes. There is a perfectly good economic argument against this: Social Security is a government program, and any taxes that do not purchase government debt must be replaced by other taxes that will. If other taxes are not raised, the government is simply borrowing to purchase equities—in other words, buying on leverage. This is nothing more than a shell game, and a dangerous one at that, since it would put the government in the position of raising revenue not through taxation, a power we understand and have experience with, but through owning—literally—the means of production. The argument that "states own stocks for their employee's retirement systems, so why shouldn't Social Security" is difficult to take seriously. There is an enormous difference between the government purchasing stocks in its position as an employer for their employee's retirement fund and doing so as part of a universal social program.

The main argument against such an approach, however, is that it makes an enormous political gamble for less than compelling reasons. No one knows how turning the federal government into a major shareholder of every company in the United States would change American politics. On the one hand, it could have a powerfully conservative influence, since every cost the government imposed on business would show up on its books not just in foregone tax revenue but also in lower stock prices. Literally no decision—from regulating tobacco companies and HMOs to changing corporate taxation and capital gains—could be made without regard to the government's ownership role in the companies effected. Those who doubt this should take note of how the states, who were once the sworn enemies of "big tobacco," now seek to shield it from further litigation, since the settlement money has made them dependent upon the companies' continuing viability. Introducing such a relationship in Social Security would be a strange outcome for a policy pushed by liberals.

On the other hand, having the government own a large share of equities would make the fluctuations of the stock market even more of a political issue than they are now.

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Fluctuations in stock prices would impinge directly on government budgets (as opposed to indirectly through capital gains and other taxes), creating even greater pressure for measures such as the "collars" inadvisably put on stock markets after the 1987 crash.

Privatization would face similar political problems. The pressure to reduce stock market fluctuations would be more severe under privatization than when the government invested the surplus in equities, since fluctuations would directly impact the resources an individual would have in their private account upon retirement. The decision to retire just a few weeks sooner or later could mean a substantial difference in retirement income for two individuals with similar earnings. The obvious equity problem this raises would create pressure to "do something" about the necessary ups and downs of the market. What is more, privatization would mean that stock market investing was no longer a voluntary decision. In attempting to develop a more "libertarian" system of social insurance, conservatives would actually be empowering government, granting it a wholly novel authority to coerce private investment. This would, in all likelihood, substantially alter the nature of financial regulation in the United States, forcing regulators to assume much lower levels of investor sophistication, leading to the possibility of a more prescriptive (as opposed to disclosure-based) approach.

Finally, splitting up the insurance and redistributive aspects of Social Security, as all privatization programs must, may lead to programmatic instability. Advocates of privatization can promise that their system will lead to even more redistribution than Social Security; but it is impossible to know whether, once the functions have been divided and exposed, the political coalition in support of the current level of redistribution will hold. The experience from the United Kingdom is mixed but suggests that levels of support for the poorest elderly will fall, and that the system will become predominantly means-tested over time. Even if some form of privatization is the first-best policy, political considerations may render it worse than the current program.

The foregoing surely reads like an unrealistic premonition of doom. And it very well may be. The government will find

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ways of adapting to many of the problems that I have predicted, as will individuals themselves. But at what cost? Who is to say that my list is exhaustive? It is literally impossible for any analyst to specify what the consequences would be of major change to such a deeply embedded social institution.

Reforming the British system

The British case presents a different set of problems. The value of both the basic pension (which is flat-rate) and SERPS (which is income-related) has fallen, and will continue to do so in the future, even by the current government's estimation. The basic pension, which currently pays out 16 percent of male average earnings, will fall to below 10 percent after 2030, while SERPS will fall from 21 percent to 16 percent, with the figures deteriorating from there. As a consequence, increasing numbers of older Britons are being pushed onto means-tested assistance. A majority of Britons have "opted out" of SERPS, and now expect to receive the great majority of their retirement income from a private (either individual or company) pension. Most middle-class individuals barely consider themselves part of the state pension system, and there seems to be little support for returning to more generous state benefits.

Moreover, the current system of private pensions, because it is still linked (through opting out) to the state system, is incredibly complex and difficult to understand. Individuals have to make decisions between SERPS, company pensions, personal pensions, and the government's new "stakeholder pension." The results of this complexity are very high transaction and marketing costs, and a recent scandal that severely damaged the reputation of the pensions industry. Pensions have been reformed over and over again since the early 1980s. None of the reforms seems to have cut into the system's simultaneous failure to provide for the poorest pensioners while also baffling those in the private sector.

Even by the fairly high hurdle I laid out earlier in this essay, the British system is sufficiently troubled to justify the turmoil that would accompany root-and-branch reform. Constructing an income-related system of social insurance along the lines of the United States is not in the cards: It is simply

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too far from the existing consensus. Any reform that is likely to get a serious hearing will build upon some form of individual account. The critical questions are: How do you structure a privatized system that generates sufficient redistribution while not collapsing into widespread means-testing? And next, how do you introduce pension instruments that generate policy lock-in, so that individuals and institutions can establish reasonable expectations about the future?

Privatized systems hold two great dangers: First, the redistribution in the system becomes more difficult to maintain over time; and second, the financial system becomes socialized as much as the welfare state becomes privatized. That is, the main concerns have to do with unintended political consequences of reform. As I suggested earlier, given the substantial problems with the British pension system, it is worth risking these consequences, as well as others an analyst cannot predict. But there are ways in which these dangers might be minimized.

The redistribution problem might be tackled by obfuscating the link between taxes and contributions in privatized accounts. By scrapping national insurance contributions altogether, and paying for the entire pension system through general taxation, the government could contribute to private accounts in a more egalitarian manner than if the revenue were raised by payroll taxes. Unfortunately, this would mean that all contributions had to flow through the government accounts, and one of the main motivations for privatization (among New Labour supporters, at least) is to get pensions off the government's accounts. This means that there are few alternatives to a system of mandatory private (and off the government's books) savings with a government "top up" or subsidy for those with low earnings. In such a case, it probably makes more sense to have the government top-up low-earners' pensions year-by-year, rather than at the end of their working lives, even if technically this would involve the same level of redistribution. The former system would make redistribution more difficult to retract than under the latter system, when the amount of the "top up" could be changed any time and all at once.

The other problem is that coerced private investment inevitably leads to a shift in the structure of government finan-

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cial regulation. I have dealt with this point at length elsewhere, but suffice to say that privatization of the welfare state usually translates into the partial socialization of private markets, since the latter are now being used for public purposes. How to avoid excessive entanglement? As I have suggested in the *New Statesman* with my co-author Phil Agulnik, the British government should set up the equivalent of the American Federal Employee Retirement System (FERS) of private, indexed accounts centrally administered by the government (off the books), which could be used by workers for their retirement account. Those who wished could pick alternatives to the centralized system, although few who understood the efficient market hypothesis would. Since anyone would have the option of using the government-organized system, pressure to regulate private providers would be limited.

Ultimately, what will determine the success or failure of changes in the British pension system will be their degree of irreversibility, which is a political, not a technical, problem. How one can do so within a privatized system is a question of the first order for policy analysts, but also one difficult to raise within the current policy paradigm.

Democracy vs. welfare-state conservatism

I have argued up to now that if it is true that "policy creates politics," then politics must be part of policy analysis. Politics is not merely a matter of how to "sell" one's preferred policies. Rather, it must be a major criterion in the shaping of policy itself. Policy analysts would not hesitate to shape their policies to reflect the likely behavior of clients; not to do so would be tantamount to professional misconduct or at least incompetence. But policies also create feedback from political institutions and policy makers. They either create the conditions necessary for policy resilience and expansion or render policies politically weak and in danger of contraction. Such feedback would affect whether the design of policies was, in fact, in the interests of the clients they serve.

If the maintenance of political support and the maximization of policy goals always pointed in the same direction, analysts would not have to consider political variables: They could assume that politics was "someone else's job." But it is a fact

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of life that there are tragic choices in the world of public policy. The first-best policy in programmatic terms may be unsustainable in political terms. In other words, the real outcome of the first-best policy may be worse, after it has been processed through political institutions, than would be the second-best, if the second-best was more likely to generate politically protective mechanisms. Where this is the case, the policy analyst, as a matter of professional duty, must recommend the second-best.

But there is a further complication. So far I have argued that although political considerations must be taken into account, the ultimate goal is the clients' welfare. We move to the second-best not because we care about politics per se but because we care about the clients themselves. Such an approach, however, is incomplete.

As I argued regarding Social Security, concern for the welfare of older citizens requires that we adopt the second-best policy of social insurance, as opposed to the first-best policy of flat-rate pensions paid out of general revenue. But such a policy has costs, not so much to the consumers of the policy but to the political system itself. The second-best works because it generates mechanisms that make it very hard to change the policy substantially after it has been put in place. It protects the interests of older Americans by, in effect, closing off the possibility for politicians to rethink the policy: This is what is meant when we call Social Security the "third rail" in American politics. Social Security works primarily by deflecting discussion away from the policy's core and toward peripheral or system-maintenance concerns. At a point, the core becomes almost impossible to debate in any significant way.

Such a policy is not good for politics conceived as an end unto itself. Recently, "deliberation" has become a voguish concern among American liberals, an antidote to what is taken to be the ossified, bureaucratized, and technocratic character of the politics of social policy. But what must be given up to make such deliberation possible? Deliberation is typically taken to be the outcome of particular institutional forms, but rarely is it suggested that policies themselves may either facilitate or close off deliberation. If deliberation is taken to be an end unto itself, the possibility that social policies themselves may

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be anti-deliberative should be of the gravest concern. But the liberal advocates of a more deliberative politics barely mention this possibility.

The reason is that what makes the social policies favored by liberals viable is precisely their anti-deliberative aspect. In particular, it is Social Security's great success at closing off or at least limiting debate that has made it the most stable element of the American welfare state. To enhance deliberation would mean shaping policies such that they could be reconsidered. But reconsideration is the last thing liberal defenders of Social Security (or any other major element of the welfare state) would want.

I close, therefore, on a dour note, or at least a point of paradox. To incorporate political variables into the consideration of social policies is necessary if we wish to ensure those policies' success, but to do so may be at the expense of politics taken as an end unto itself. The "welfare state conservatism" I have defended and democratic accountability are, necessarily, in tension. The choice between these two is, itself, inherently political, not subject to any technical calculus. To choose requires a consideration of the fundamental ends of the polity, and thus a turn to the basic questions of political philosophy. This requires a political education, which, sadly, most policy analysts lack. More fundamentally, it requires that policy analysts recognize that their work is not an alternative to, but an extension of, the political enterprise.

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The demise of child-rearing

LYRIC WALLWORK WINIK

CHILD-REARING is America's cultural third rail. It is the gateway for debating everything from family structure (or the lack thereof) to exactly who should care for those regarded as the most vulnerable and malleable among us: very young children. And it has become far from a private debate, to be had around the kitchen table after the kids have brushed their teeth and gone to bed. Today, there are all manner of mental health professionals, child development experts, counselors, researchers, authors, and radio call-in hosts ready and waiting to dispense advice and guidelines. Even various arms of the federal government have weighed in with their estimations of what's best for their smallest citizens. In the name of the children, federal tax law offers a $500-per-child tax credit (interestingly enough, a similar policy was first proposed by Theodore Roosevelt for the same sum), and federal law enforcement made armed raids to snatch Elian Gonzalez and to save the supposedly abused children in the Branch Davidian compound at Waco.

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Indeed, "think of the children" has become a contemporary mantra, and, with some 200 years of child development theorizing, from Locke to Spock to Penelope Leach, there is no shortage of accumulated thought about infants and children and no shortage of prescriptions for mental stimulation, emotional well-being, or the fostering of creativity and autonomy. But in many respects, not since four- and five-year-old children were sent down into the mines or consigned to the factory floor has it been harder to be a child. Children are more medicated than ever before. They are routinely exposed to sexual situations sooner, as well as to violence, illicit drugs, and alcohol. With the rise of sexual predators, they are for the most part no longer free to hop on their bikes and explore the suburban world; many are not allowed even to walk an urban or suburban block alone. Spontaneous play time has given way to scheduled play dates and organized pint-sized soccer leagues. There is structured day care or morning care and after care at school. Thus, at a time when human life spans are lengthening, there is sobering evidence that American childhood, as most of us have understood it, is eroding.

And for all the admonitions to "think of the children," there is also quite a bit of time in contemporary life when we do not think of them at all. Movie theaters, malls, and supermarkets are promoting "drop-in centers," where children can be left so adults can go about their business unencumbered. Our entertainment culture—movies, books, and television—has, with the exception of kid-oriented programming, the occasional household comedy, and a few "reality-based" dramas, largely airbrushed children out of the picture. Where they do exist, it is primarily off screen, and even then, the most dedicated celluloid parents do not race in with spit-up on their shirts or tear their hair out looking for the binky in the diaper bag. Thus, when many Americans settle down to be entertained, children are overwhelmingly unseen and unheard.

Root causes and revolutionary changes

All of this did not happen overnight. And while it might be nice simply to point to some cultural tsunami, say the 1960s, that swept in and shattered centuries of convention, it is also possible to look at a seven-year-old girl today dressed in a

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crop-top or strappy halter with platforms and Capri pants heading off to a hair and make-up "makeover" birthday party and see an echo of Brueghel the Elder's painting of children's games, in which the children were painted simply as small adults, with all the same physical features, just reduced in size. Back then, in Brueghel's late medieval Western world, once a child left the cradle, adult society beckoned. (Today, it may not be so much adult society as a prolonged adolescence.)

But it remains true today, as was also true then, that our conceptions of childhood are not static. Indeed, many of the current issues surrounding childhood—and no doubt some of the ensuing contradictions and confusion—have their roots in various conceptions and theories of childhood that have come down to us in broad brush from the past. Many of our assumptions, and even the starting points for current debates and arguments, are fully derivative of the best of seventeenth- and eighteenth-century views on childhood and the child, from thinkers like Locke, Rousseau, and John Wesley.

But amid this seeming consistency, there is one staggering change: For 1999, the Bureau of Labor Statistics reports that roughly only one in four children was being raised by a stay-at-home, nonemployed mom. Other numbers are even lower: The Clinton administration and various interest groups cite the figure that nearly eight in ten mothers work outside the home, while evaluations of the most recent U.S. Census claim that only 18 percent of children will have their mom at home full-time from childhood through adolescence. Even allowing within these demographics for a higher number of mothers who stay home with an infant, as opposed to those who remain at home with a school-age six-year-old, those numbers may be telling us something important: What is changing may be less our conceptions of childhood and even child-rearing than our conceptions of mothers, parenthood, and parents. Where once the raising of a child was rooted in notions of parental self-sacrifice, today it is being pushed aside by demands for adult freedom and choice. In fact, childhood isn't so much about the kids anymore. It's about the parents. And for this, there is no easy historical echo, no ready road map.

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In the beginning ... was Locke

After the Bible—which guided centuries of child-rearing with such aphorisms as spare the rod and spoil the child, as well as the more nuanced story of an "abandoned" Moses plucked from the bulrushes by a princess, who in turn asks a "Hebrew" woman to nurse and look after the boy, who is, it turns out, the boy's mother, and thus either one of history's first nannies or an example of a powerful maternal drive—much of our first modern thoughts on child-rearing can be traced to the seventeenth-century works of John Locke.

Childless himself, Locke began to explore the topic at the behest of a cousin and her husband, who were seeking advice on the upbringing of their son. The result of his ruminations, *Some Thoughts Concerning Education*, was published in 1693. As John Cleverly and D.C. Phillips point out in *Visions of Childhood: Influential Models From Locke to Spock*, Locke began by discounting the notion that any "innate principles" arrived inborn with the infant. Instead, he proposed that a child entered the world as a *tabula rasa* or blank tablet upon which would be written the contents of the mind. And those contents were to be derived from experience, specifically from sensation or sensory experience, such as hot or cold, light or dark, and from reflection or introspection, which would produce an understanding of mental function and eventually lead to mastery of such concepts as thinking, doubting, reasoning, and willing.

In certain respects, Locke was an optimist, hopeful about the general improvability of man. He begins *Some Thoughts Concerning Education* by writing, "I think I may say that of all the men we meet with, nine parts of ten are what they are, good or evil, useful or not, by their education. 'Tis that which makes the great difference in mankind." But while education was the great improver, it was not a thorough equalizer. Blank though they may be, even Locke acknowledged that not all tablets were equally amenable to being written upon. Thus he would also write that there was a "greater distance" between some men and others with regard to understanding, apprehension, and reasoning, than "between some men and some beasts."

But this second line of reasoning was muted in an exuberant age struggling to slip the bonds of primogeniture and

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stratified class and move up the social ladder. Locke's notion of the power of education as a determining factor in human success gave credence to the meritocratic ideal. For example, a second son like George Washington, born into the middling gentry, could have taken quite a bit of heart from Locke's nine-tenths rule regarding education as he wrote out his list of 110 rules of conduct, including items like "don't spit in the fireplace" and "don't blow one's nose on the table cloth," to help facilitate his rise into society's higher strata. Indeed, Locke arrived at just the right time—when men might strike out to new lands to seek their fortunes, when one was not necessarily destined to adopt one's father's trade or even to spend an entire lifetime never venturing beyond one's own particular village or town.

These fundamental Lockean precepts are still with us. Some 50 percent of those surveyed for a recent *New York Times* report on American attitudes say that education played "a big role" in making them who they are, more so than their race, or religion, or their parent's personal wealth. Faith in the transforming power of education can also be seen in current debates over school vouchers and funding for Head Start. Locke's general concepts have also trickled down in more far-flung forms today. Arguments that gender differences are not innate, but are merely artificial social constructs thrust upon young boys and young girls to which they must then conform, owe something of their genesis to Locke's depiction of the infant as a *tabula rasa*. Parents who ban "war toys" for their sons or who give dump trucks to their daughters are, consciously or not, working to shape that same sensory, even reflective, component of education that Locke first identified.

Tough love

But the Lockean model of childhood is not the only one to undergird the collective consciousness. Two very contradictory views, one espoused by John Wesley and his followers, the other by Jean-Jacques Rousseau, also do much to shape our present-day conceptions of childhood and child-rearing. The founder of the Methodist movement, Wesley had a conception of childhood that was rooted in the long-standing Christian doctrine of original sin: namely, that children were born flawed,

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inheriting the sins perpetrated by Adam and Eve in the Garden of Eden. Writing in the first half of the eighteenth century, Wesley's remedy was strict scheduling and the liberal use of corporal punishment. (His mother Susanna helped set him on this path by advocating set sleeping hours, family prayers, no food between meals, and use of "the rod" starting with children one year old, sometimes even earlier.) Wesley himself frowned on unsupervised time and the eighteenth century version of play days. His motto could be summed up by these words: "Break his will now, and his soul shall live."

Wesley's conceptions of innate child behavior have been credited with partially shaping everything from the mid-twentieth-century fiction classic *Lord of the Flies* to rigid British schooling systems designed, it was believed, to remedy the deplorable nature of the untutored boy. It is easy enough today also to see the Wesley model underlying debates about whether or not spanking is appropriate or is a form of child abuse. And his strict message is repeated by contemporary "tough love" parenting gurus like John Rosemond, whom the *New York Times* once dubbed the pro-punishment Spock, and who advocates judicious spanking; serious household chores; unpleasant, memorable punishment for all disobedience, no matter how small the infraction; and a three- to five-day plan for toilet training by age two. Popular among some Baby Boom parents and Christian evangelicals, Rosemond also believes that the current emphasis on developing self-esteem is corrupt, producing not children who say "I can" but a culture of narcissism whose children say "I am special." And in a more circumscribed vein, even many childhood sleep experts and sleep consultants today don't sound too far removed from Susanna Wesley when they advocate set bedtimes and sleep periods for young children.

But scratch the surface of Wesley's concept of a manageable child and one is reminded of the current debate over the use of behavior-altering drugs like Ritalin and Prozac. Here, misbehavior and disruption don't stem from a moral disease but rather are identified as physical malfunctionings. Certainly, there are children and families for whom maladies like Attention Deficit Disorder are both disruptive and devastating. But the mushrooming diagnoses of such afflictions—and far more

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frequently in boys than in girls—raise the specter that in place of Wesley's stern child-rearing prescriptions, through which parents and educators could gain control of willful children, Americans are now turning not to the rod but to the prescription pad. Whether the means are moral education or medical management, the ends remain strikingly similar—gaining mastery and control over the willful or difficult child.

Obedience, self-control, and discipline were to be achieved in children, Wesley thought, by a method of corporal punishment that many today might find uncomfortably harsh. But a century or so from now, another generation may ask whether in this era it was also the unruly who were singled out to be subdued, this time not through education, but with medication to make them more compliant, more manageable, more conformist, and, in the process, perhaps to behave less like young males. Indeed, Francis Fukuyama has postulated that as a society we are nudging our children toward androgyny, employing Prozac to make girls less like girls and Ritalin to render boys less like boys.

Naturally good

The antithesis of the Wesley approach is represented by Jean-Jacques Rousseau, who believed in man's natural goodness. As such, evil is not a necessary part of our fallen condition but rather enters into the world as man moves from a state of nature to organized society. Rousseau's educational prescription, not surprisingly, involved granting more freedom rather than less to the young child, for children should follow their natural impulses. But Rousseau also favored a carefully supervised education, in which a knowledgeable adult controlled and carefully selected just what children were exposed to and what they experienced. By this circumscribed means, childhood could be made incorrupt.

Under Rousseau's influence, leading British intellectuals like William Hazlitt, Erasmus Darwin, and Mary Wollstonecraft tried to undo the corrupting influences of civilization; among England's elite, it became fashionable for children to grow up illiterate, living in the natural countryside, just as Rousseau had prescribed in his educational work *Emile*. Further down through the years, Rousseauian notions have reappeared in

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many guises, whether in the form of permissive parenting (which is hardly a late twentieth-century phenomenon—Confederate president Jefferson Davis permitted no bedtimes and little in the way of set schedules for his children); or educational reforms like the unstructured, open classroom of the 1970s, where students could select whatever subject they wanted to work on; or even homeschooling, which is the most closely supervised form of education available to parents.

Of course, onto this particular slate, there have been many significant overlays since Locke, Wesley, and Rousseau developed their educational theories. From Darwin to Marx and Engels to Freud to Dewey and to Skinner, there have been periodic reassessments and additions to the general pool of thought on child-rearing. Freud in particular added a powerful psychosexual component to childhood that has impacted much of the twentieth century. But these intellectual roots are also not the sole story. If we are heirs to some very powerful European ideas regarding children and child-rearing, we have also grafted onto them some particularly American notions and anxieties.

Experts know best?

As John Cleverly and D.C. Phillips point out in *Visions of Childhood*, it is not insignificant that one member of the Puritan clergy who did not thoroughly embrace the swift corporal-punishment doctrine that would come to be touted in England was early eighteenth-century New World Boston minister Cotton Mather. Instead of Wesley's iron discipline, Mather preferred to use blows sparingly, hoping that a show of disappointment and perhaps some verbal approbation would first do the trick. That is not to say that Mather wasn't a strict parent, but he represents an early hint of the unease some Americans have had with strictly proscribing the behavior of their children.

For every George Washington, writing down and mastering his rules of conduct, it seems there was also a Theodore Roosevelt, allowed by his parents to practice taxidermy with impunity on birds and small animals in the bathrooms and kitchens of hotels as the family traveled across England, littering the basins with feathers and carcasses in the process.

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Indeed, historian Margaret Leech notes that among the noises of Civil War-era Washington were "the same screaming, precocious children that travelers observed elsewhere in the United States." Thus it may not be as long a trip as some imagine from the Victorian era to the four-year-old screaming this morning in the supermarket. Nor should it be fully surprising. After all, in a nation that accepted the breaking of rules more easily than most established European societies, and where the concept of the frontier made it possible for a man to strike out for new territory if the rules or the neighbors got to be too much for him, strict restraint of children could be seen as something of an oxymoron. Some may bemoan the Baby Boomers as the most indulged and rule-flouting generation in history, but they are nevertheless not the first ones.

Indeed, even the very notion of adolescence is largely an early-twentieth-century, American-invented concept that brought with it the possibility of postponing adulthood. It arose in part as the population base began its irreversible shift from the farm to the city to the newly forming suburbs, and at a time when industrial and especially office jobs began to require more workers than agriculture. Leisure time, education, and consumerism all contributed to changing the timetable for entering full adulthood.

But along with a more laissez-faire notion of child behavior comes a corresponding, and potentially contradictory, reliance on experts to guide the process of raising a child. Fascination with expertise, the desire to professionalize and thus to lay a claim to holding some particular, learned skill, have long been bound up in the fabric of American public and workplace life. Doctors once used it to gain respect and social position; so too have teachers. But bringing experts into the realm of child-rearing adds a new dimension to a process that had once been largely private. And it is not simply Dr. Spock or T. Berry Brazelton or Penelope Leach, with their manuals designed to direct parents through the life-stages and needs of their children, who have made "expertise" so pervasive in the approach to children. Rather, it is also the legions of scientific studies and psychological observations, meticulously recording and measuring the cognitive and social and behavioral skills of the developing child.

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From these studies, we get pronouncements about child-care practices, such as "high-quality child care is more stimulating than leaving the child with a nanny, low-quality child care less so." We learn that children in child care still maintain attachments to their mothers, even if their mother is, hour-for-hour, not the primary caregiver. Other scientific studies have given rise to small-scale political movements, such as Rob Reiner's "I Am Your Child" Foundation, which, through a combination of celebrity and political support, touts the primacy of brain development in ages 0-3. (It should be noted, however, that this is hardly the first time that child theories have dovetailed into politics. For example, new thoughts about the importance of families and family structure, specifically the rise of the concept of the child-centered nurturing family, helped impel abolitionists in the nineteenth century to crusade for keeping black families together as part of their efforts to end slavery. As Civil War historian James McPherson has pointed out, the classic abolitionist work *Uncle Tom's Cabin* "homed in on the breakup of families as the theme most likely to pluck the heartstrings of middle class readers who cherished children and spouses of their own.")

Hillary Clinton has signed on with the 0-3 movement, having hosted an all-day conference in 1997 on brain development in young children. Indeed, this brand of brain science is repeatedly cited in the push to improve child care and expand Head Start.[1] And failure to make the most of these early years is declared to contribute to a range of societal pandemics, including crime, teen pregnancy, drug abuse, child abuse, welfare dependence, and homelessness. If only everyone would focus on making those early brain connections, the argument seems to go, our world would be a better place.

But all this scientific measurement of childhood has also had some profound cultural consequences, unintended or not. Perhaps chief among them is an erosion of parental authority. As Dana Mack argues in her book, *The Assault on Parenthood: How Our Culture Undermines The Family*, child welfare agen-

[1] There is, however, a legion of newer research showing that 0-3 is not necessarily all-crucial. Key brain development also occurs in later adolescence when the brain prunes the number of synapses and connections. Selecting age three as an artificial cut-off in brain development and placing extremely heavy emphasis on those early years risks ignoring the no less crucial growth that takes place later.

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cies and educational institutions have a pervasive anti-parent bias, and many institutions designed for children actually undermine parental and familial values. For example, it is more than just an institutional issue when schools revise curriculums without parental input and when "scientific" inquiry and conclusions trump the decisions and instincts of parents. In the age of the expert, parents are faced with the pressure of wondering whether their actions are somehow damaging their child. Indeed, parents, through their supposed errors, can be seen to be as toxic as lead leaching in through the pipes.

And a corresponding message is that parents are also replaceable; other caring adults can do their jobs just as well, if not better. We have books to tell us that peer groups are more important in shaping children than parents; we have instituted day-care certification processes, and there is an entire industry specializing in nanny-placement services. The ultimate test is not who cares for the child but whether his or her developmental needs are being met. Thus parents who are not stimulating (or ensuring the stimulation of) their toddlers' minds are now seen as contributing to their educational and developmental degradation. Thus it is with all earnestness that mothers whose children are being cared for at day-care centers can walk in at six o'clock at night and insist upon knowing what was done to stimulate their infant mentally. (Often, the real answer is not much; employees spend most of the day changing dirty diapers.) And thus, across the scientific universe of child-rearing, parents are but one set of cogs in the developmental machine.

This, however, begins to raise another set of questions. Between the 300 or so years of child-development theories and another century or so of child-centered scientific research, is it not unreasonable to ask if we have over-thought childhood? Perhaps we have accumulated an excess of information, which instead of leading us closer toward enlightenment has instead carpet-bombed us with contradictions and left us in a state of quasi-paralysis. How can we experientially and nonjudgmentally mold the child as *tabula rasa* while simultaneously allowing him his instinctual freedom and making the most of his neural connections and intellectual hard-wiring by age three? No amount of self-esteem building is likely to get

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a parent out of this one. And thus we have, as a society, helped to make child-rearing and childhood that much harder.

But the problem is not simply too much theorizing and too many experts. For it is not only our notions of childhood that are changing but also our notions of parents. Parents may find themselves being devalued, questioned, or rendered replaceable; and conversely, they themselves are sometimes opting to take a very different path. Especially the mothers.

Are you my mommy?

Allegra Goodman is a young woman of letters, a regular in *Commentary* and the *New Yorker*, and the author of a well-received short-story collection and an equally well-received novel. Her characters come from the Jewish community; in the case of the novel, *Kasterskill Falls*, from the Hasidim to be exact. And, like their real-life counterparts, there is a surfeit of children among the characters in this novel. I point this out because that makes Goodman, within her own particular sphere, something of an anomaly, someone who writes about more traditionally organized families and whose central characters are not young, urban singles or the middle-aged caught in the throes of breakdown or adultery.

So it was with some small measure of surprise that upon picking up the anthology *Child of Mine: Writers Talk About the First Year of Motherhood*, I found her contribution, titled "Student Mother," beginning thus:

> When my baby was six weeks old, I realized that I was not going to finish my Ph.D. at Stanford while he slept on my lap. I wasn't going to get my degree while bouncing him, rocking him, or even by wearing him in a baby sling. Ezra enjoyed all these things for about ten minutes, but then his patience ran out. He would cough politely three times as fair warning, and then begin to scream. It was time to find a babysitter.

Frank, direct, descriptive, that one passage encapsulates a sea-change in how a significant segment of our culture has come to view the raising of a child. And it should be noted that in terms of family structure, Goodman's is a more conventional choice; she has not opted for the route of single-parenthood or cohabitation. She is even biologically something of an in-

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creasing rarity: a young mother, still rather fresh into her twenties when this first child was born, albeit also a young mother who works.

This is not to say that women have never worked, or that the well-to-do in the past have not liberally employed nannies, governesses, and wet nurses. Indeed, much of so-called women's work was backbreaking, and older children were often left to watch and care for their infant siblings while the mother tackled the task of running the house, beating the rugs, tending the vegetable garden, heaving the laundry up and down the washboard. One might well argue that only the rise of vacuum cleaners and washing machines has fully allowed for the development of one-on-one child-rearing and stimulation, epitomized by phonics and flash cards and trips to Gymboree. But the notion of balancing a career—as in an outside, paying job or professional vocation—and motherhood is something relatively new.

And while there is anecdotal evidence that fewer mothers may be opting to take this path and that more affluent, professional women in the fields of law and business are increasingly, without shame or regret, pursuing the previously maligned "mommy track," there isn't much, if any, hard data to back up these assertions. The Bureau of Labor Statistics reports that the traditional family—mom at home, dad working—fell from 43 percent of all families in 1980 to 27 percent of all families with children in 1995. For 1999, the figure was solidly stuck at 28 percent. So, while a number of women (and even a very few men, 4.3 percent as of last year) may well be leaving their jobs altogether in favor of spending precious time with their kids, the actual figure appears closer to a trickle than a tidal wave. Moreover, as some will argue, not all women are economically able to make this choice, especially the growing legions of single mothers and mothers who are cohabitating but not married. For them, the stay-at-home option has been peremptorily foreclosed. Finally, there are those who simply choose to work. In some instances raised by their mothers and teachers with the words, "You have opportunities I never had," they are striving to make good on them. Educated and skilled, they have tasted the proverbial apple and don't want to go back.

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Choices, choices, choices

But what is so striking is less the validity of these choices—although each side has partisans that will defend them with a tenacity reminiscent of the extremes of the abortion debate—than how parents, specifically mothers, have come to define their lives through the master-idea of choice. I choose to stay home. I choose to work. "I realized I was not going to finish my Ph.D...." Repeatedly, the focus is more on the "I" than on the child, even if the choice is being made with the express desire of putting the interests of the child first. Even the movement of "single mothers by choice" is centered largely on the notion that these women, who have forgone or been denied marriage, want to experience the joy of mothering. In fact, across much of our culture, the very phrase "child-rearing" has evolved into the notion of "parenting." One centers linguistically on the child, the other on the parents.

Where previous generations touted the notion of parental sacrifice for their children, today, the focus is less on the future and more on the present, and by extension on the parent. A Locke, a Wesley, or a Rousseau would not have dwelled on whether or not the parental experience was rich. After all, parents had already been children; they had already been raised. The task at hand was squarely defined in terms of bringing up the next generation. The same cannot be said of the world today.

Where this particular road and the emerging concepts of choice and parenting will take us is a very interesting and highly unresolved question. A couple of centuries hence, we may find these new concepts informing our actions just as subconsciously and intuitively as the precepts of men like Locke, Wesley, and Rousseau do today. A good many have already embraced them as "societally liberating." Or, conversely, we may find these concepts rejected and discredited, though that is rarely the way for most social change. We may even find that the entire notion of childhood has undergone a profound transformation. With the age of sexual maturity dropping almost every generation, with girls as young as eight menstruating, we may find childhood shrinking to a kind of late-stage infancy and adolescence lengthening out to a decade and beyond. What we do know is that the foundation for this future is being laid now, and we are shaping it, choice by choice.

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Death, wealth, and taxes

BRUCE BARTLETT

WHILE there are many economists and philosophers who have defended the right to become wealthy, few have defended wealth per se. But in fact, the simple existence of wealth is economically of great importance, quite apart from the familiar need for society to accumulate capital for investment. Wealth and the inequality it breeds are actually central to the functioning of our entire economic system.

Consider the simple fact that many of the appliances and other conveniences that almost all Americans own would not have come into existence if there weren't rich people to buy them in the first place. It is easily forgotten that things like televisions, VCRs, microwave ovens, home computers, and wireless phones, most of which are now owned by almost all middle-class Americans—and even a significant number of those officially classified as poor—were not too long ago luxuries so

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expensive that only the very rich could afford them.

According to economists Michael Cox and Richard Alm, the first color televisions cost $1,000 in 1954, $6,660 in 1997 dollars, requiring 562 hours of labor by a typical worker to buy. Today, of course, almost all TVs are color and cost a fraction as much. In 1997, one could buy a 25-inch RCA color set for $299, or about 23 hours of labor. Furthermore, a 1997 model was far better in quality than its 1954 version.

An even more dramatic example is the computer. In 1970, it would have cost close to $5 million to buy a computer that was capable of performing 12.5 million instructions per second (MIPS). This works out to almost $400,000 per MIPS. Such computers were, of course, available only to governments, universities, and large corporations. Not even the richest American would have considered buying one for home use. By 1984, the cost of computers had fallen to within reach of the modestly well-to-do. A computer able to perform 8.3 MIPS could be had for about $4,000, or $479 per MIPS. In 1997, a good home computer capable of performing 166 MIPS could be had for less than $1,000, or $6 per MIPS. At such a price, even children could have computers with more power than all the computers on earth when their parents were born.

The point is that unless there were "rich" people out there willing to buy those $1,000 TVs in 1954 or the $4,000 computers in 1984, there would be no businesses producing such products for the middle and lower classes today. Someone had to be willing and able to pay a seemingly exorbitant price to be the first to have the latest gadget. The profits made from selling these high-priced gizmos are what paid for the research and development and the capital investment needed to bring the first one to market. They also attracted competitors and other businesses, which made the products cheaper and more valuable still. After all, what would television be without programming or computers without software?

In a sense, therefore, the rich perform a public service when they engage in what Thorstein Veblen called "conspicuous consumption." They are, in effect, underwriting the cost of bringing new products to market that ultimately become ubiquitous and available to everyone. Since it's not much fun to be rich if everyone can enjoy the same products, the rich

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aid innovation by pushing the limit of what is possible, encouraging producers to meet their demand in return for large profits. But if the rich perform a valuable social function, must we conclude that they be allowed to pass on their wealth to their descendants and heirs? Does it necessarily follow that the inheritance and estate tax should be abolished? Does the drive to pass wealth on to one's heirs contribute in some fundamental way to the creation of wealth?

Rise and fall of rich and poor

Wealth in America has always been distributed highly unequally, perhaps even more so before the Civil War than today, as demonstrated in the work of economists Robert Gallman and Lee Soltow. This concentration of wealth was tolerated, however, because equality of opportunity prevailed widely. This meant that there was great mobility in and out of wealth. Alexis de Tocqueville noted that "the rich are constantly becoming poor" and "the rich daily rise out of the crowd and constantly return thither."

Some recent scholarship by historian Edward Pessen suggests that wealth mobility was less than Tocqueville thought. However, recent data on mobility tend to support Tocqueville's observation that fortunes rarely survive past the second generation. Moreover, the data show that inheritances continue to play a small role among the wealthiest Americans. A significant percentage of the largest American fortunes were accumulated in a single generation. To some extent, this is due to the changing landscape of America's largest businesses, which have also undergone major churning.

Income and wealth mobility are unambiguously good because they mitigate inequality. While there is a large literature on income mobility, there is much less on wealth mobility. The data show that incomes are highly mobile, with many of the rich becoming poor and many of the poor becoming rich within relatively short periods of time. The more limited data on wealth indicate that mobility is on the same order of magnitude as with incomes.

A comparison of families between 1966 and 1976 found that 35.5 percent increased by at least one decile (a 10 percent bracket) of wealth and 18 percent moved up at least two

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deciles. Over the same period, 34.6 percent moved down at least one decile and 17.9 percent moved down at least two deciles. A study of families between 1984 and 1994 found 60 percent of families in the bottom decile of wealth the first year in a higher decile 10 years later. Of these, 40 percent jumped one decile, 26 percent rose two deciles, and 11 percent leaped three deciles. An amazing 23 percent went up four or more deciles, with 1.42 percent rising from the lowest decile to the highest. Only 47 percent of those in the top decile in 1984 were in a lower decile 10 years later. However, about 10 percent fell more than three deciles and a few ended up all the way down in the bottom decile. In part due to high mobility, research shows that wealth is much more equally distributed in the United States than in Europe, Latin America, and Asia, according to the latest World Wealth Report.

Virtually all research shows that inheritances are insignificant as a source of major wealth in America. A 1961 Brookings Institution survey found that among the affluent, only 6 percent acquired most of their assets from gifts or inheritances. Sixty-two percent of the affluent reported no inheritances whatsoever. The vast bulk of wealth arose from saving and an increase in the value of assets. Another study, by economist James P. Smith, found that among the top 5 percent of households ranked by wealth, inheritances accounted for less than 8 percent of assets. The study concluded that "wealth inequality is largely the same when the direct effects of financial inheritances are removed." And a recent study of U.S. millionaires found that 80 percent acquired their wealth in a single generation, without the benefit of inheritances. Likewise, a U.S. Trust Corporation survey of the wealthiest 1 percent of Americans found that inheritances were a significant source of wealth for only 10 percent of respondents. Earnings from privately owned businesses were the dominant source of wealth (46 percent), followed by earnings from corporate employment (33 percent), and earnings from a professional practice (29 percent).

There are many reasons why wealth tends not to perpetuate itself in the United States. One has to do with the dynamics of the American economy: Businesses and industries that are dominant at one time frequently lose their footing and fall from grace. For example, few of the top companies in 1917

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are still on top today; only AT&T is on both lists. But the churning is also considerable over shorter periods. Only 9 of the 25 largest companies (by market capitalization) in 1969 were still ranked as such in 1999. Indeed, many of today's largest companies didn't even exist 30 years ago—or even 10, as in the case of Yahoo!. Consequently, fortunes based on declining businesses and industries soon dissipate, replaced by those based on newer enterprises, which is precisely the case with the Internet today.

In addition to the churning of industry, many other factors also explain why wealth frequently dissipates, and why newcomers are able to break into the ranks of the wealthy. One is that rich men tend to marry younger women who outlive them, eventually consuming the family fortune. The sons and daughters of the wealthy often show no interest in running the family business or lack the skill to do so effectively. Finally, a not insignificant number of the rich die childless or leave their fortunes to charity. Whatever the reason, it is clear that very few great fortunes last more than two generations. Even the Rockefeller fortune, perhaps the greatest of all time, has been broken into so many pieces and been so depleted by charity and bad investments that little of it remains.

But if inheritances are not the source of wealth, they are a primary motivation for its creation. The desire to leave an estate drives people to work and save. To the extent that the estate tax reduces a parent's ability to leave an estate to his children, it will have a negative effect on his willingness to accumulate wealth through work, saving, and investing.

Use it or lose it

Although no serious effort has ever been made simply to ban inheritances, the government does make strenuous efforts to curtail them, mainly through the estate and gift tax. The estate tax is one of the oldest federal taxes. First imposed in 1797, its principal purpose was revenue, not redistribution. Hence, once the need for revenue fell, the tax was repealed in 1802. The tax was revived in 1862, again solely for revenue purposes. And as earlier, when the revenue requirement abated in 1870, the tax was repealed. Another estate tax was imposed in 1898 to pay for the Spanish-American War and was abol-

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ished in 1902. The current estate tax dates from 1916, enacted to pay for World War I. This time, of course, it remained permanently.

Though the estate tax was historically a revenue source, today it serves mainly redistributive purposes, since the revenue yield is minuscule. The estate and gift tax is the federal government's least significant revenue source. In fiscal year 2000, it is expected to raise just $30 billion, according to the Office of Management and Budget. With total federal revenues estimated at $2 trillion, the estate and gift tax contributes just 1.5 percent.

Originally, the top rate of the estate tax was 10 percent, evidencing its nonredistributive purpose. But today, the tax begins at a rate of 18 percent, going up to 55 percent. On estates between $10 million and $21 million the top rate is actually 60 percent, due to the phaseout of the unified credit. This gives the United States the second highest top estate tax rate in the world; only Japan's 70 percent rate is higher. Interestingly, recent press reports blame Japan's high estate taxes for much of the sluggishness of its economy.

The estate tax did not become explicitly redistributive until the Revenue Act of 1935, passed by the Roosevelt Administration for the sole purpose of redistribution. Roosevelt rationalized this policy as necessary to stave off even more redistributive proposals being propounded by Huey Long and others. To combat these "crackpot ideas," Roosevelt said, "it may be necessary to throw to the wolves the forty-six men who are reported to have incomes in excess of one million dollars a year."

The top estate tax rate, which was 45 percent when Roosevelt took office, was ratcheted up to 60 percent in 1934 and 70 percent in 1935. This and other provisions of the legislation designed to "soak the rich" were heavily criticized by economists as undermining business confidence and shifting the tax system away from its primary purpose of raising revenue. Nevertheless, it put the estate tax on a course from which it has never subsequently diverted.

It is important to remember that the $675,000 estate tax exemption is not in fact an exemption. Taxpayers receive a credit of $220,550 on their estate tax liability. The effect of

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this is to exempt up to $675,000 of an estate from tax. Because of the difference between an exemption and a credit, however, this means that no one actually pays the bottom estate tax rate of 18 percent. The marginal tax rate on the first dollar of taxable estate is 37 percent.

A fundamental justification for the estate tax is that only those who can most easily afford pay—i.e., the rich. This year, just 2.03 percent of adult deaths in the United States are expected to result in taxable estate. However, the burden of the tax falls primarily on the recipient, not the giver. For this reason, one cannot state with certainty what the distributional effect of the estate actually is, since heirs may be either wealthy or poor. This alone may be sufficient reason to abolish the estate tax. Moreover, that the burden of the estate tax falls on heirs rather than decedents also raises important distributive questions. Generally speaking, heirs have less wealth and income than decedents. Hence, attributing the estate tax to the former rather than the latter would show the burden of the estate tax on those with middle incomes to be much higher than standard distributional tables indicate. Indeed, Congress's Joint Committee on Taxation has resisted inclusion of the estate tax in its distribution tables, owing to uncertainty about who actually bears the burden of the tax.

Estate planning

Because of legal estate planning techniques, much less of the tax actually falls on the wealthy than is commonly believed. In 1997, more than 50 percent of all estate tax revenue came from estates under $5 million. The effective estate tax rate actually falls for estates above $20 million. A recent study estimates that two-thirds of the wealth of the nation's richest families goes untaxed.

The reason for this disparity is that careful estate planning can virtually eliminate the tax. At the simplest level, individuals can give away up to $10,000 per year, per person, free of gift tax. This means that a husband and wife with two married children, each with two children of their own, could give up to $160,000 per year to their offspring free of tax. Also, there is a large deduction for gifts made to spouses, whose estates may be taxed separately. Thus for most married couples, the

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estate tax only applies to estates larger than $1.35 million. Beyond that, there are a number of increasingly complex methods for reducing the burden of the estate tax. They include life-insurance trusts, qualified personal-residence trusts, charitable-remainder trusts, charitable-lead trusts, and generation-skipping trusts.

So effective are these methods of avoiding estate taxes that it has been argued that the estate tax is essentially voluntary. However, the ability to exploit existing tax-avoidance techniques is not uniform across estates. Those with the largest estates generally have the greatest ability to engage in estate planning. That is because many estate-planning techniques are costly and require long lead-times to implement. Families with long histories of wealth are more likely to be familiar with them. Thus a disproportionate burden of the estate tax often falls on those with recently acquired, modest wealth: farmers, small businessmen, and the like. In many cases, their incomes may not have been very high, and they died not even realizing they were "rich."

Another reason why those with larger estates are more likely to engage in complex estate planning is, of course, because they pay higher tax rates on their assets. Consequently, research shows that during periods when estate tax rates were rising, revenue from the estate tax fell as the incentive to engage in estate planning increased. Conversely, lower estate tax rates increased estate tax revenue, because it was no longer as profitable to engage in such planning.

It should be emphasized that estate planning is costly, not just in terms of lawyers fees and the like but also because assets placed in trust may not earn as high a rate of return as they would under the original owner's control. And the impact of the estate tax on small businesses can be devastating. According to a recent survey, 51 percent of family businesses would have significant difficulty surviving in the event of a principal owner's death because of the estate tax. And 14 percent of businesses said it would be impossible for them to survive; only 10 percent said the estate tax would have no effect. This same survey found that 41 percent of businesses would have to borrow against equity to pay the estate tax, and 30 percent said they would have to sell all or part of the

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business. Eighty-one percent of family businesses reported having taken steps to minimize the estate tax bite. These included purchasing life insurance, making lifetime gifts of stock, putting the business into trust, or other arrangements.

Academic research has also looked at the impact of the estate tax on small businesses. According to one study, its main effect is on business liquidity. Since most small businesses are undercapitalized to begin with, the estate tax can literally suck the lifeblood out of a business. Increasing the ability of entrepreneurs to leave an inheritance can greatly increase the chances of a small firm's survival. Other research found that the estate tax encourages small business owners to sell out or merge with large firms.

The latest research reinforces these findings. A survey of family businesses in New York found that they had spent $125,000 each in estate planning. These include attorney's fees, insurance premiums, and other expenses designed to mitigate the effects of the estate tax. In a review of the data from this survey, economist Douglas Holtz-Eakin concluded that the estate tax has a much greater distortionary effect on entrepreneurs than previously thought. It causes them to cut back on labor, investment, and risk-taking.

The impact of estate planning goes beyond the estate tax to the income tax as well. For example, under a charitable remainder trust, one donates assets to a tax-exempt institution but retains income from the assets until death. Not only are the assets fully shielded from the estate tax but the charitable donation reduces one's income taxes as well. Because of such interactions between the estate tax and the income tax, economist B. Douglas Bernheim estimated that lost income tax revenue may offset all of the revenue from the estate tax. It should also be noted that lawyers and accountants fees for estate planning can, in many cases, be deducted from one's income taxes, which is another way the estate tax reduces income tax revenues.

Prospects for tax reform

The problems of the estate tax are now too large to be ignored. There are growing numbers of prominent legal theorists and economists calling for its abolition. And even those

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who support a strong estate tax, either for revenue or redistributive purposes, now concede that it is so riddled with complexity, loopholes, and distortions that it needs a thorough overhaul.

The general public supports elimination of the estate tax, despite the fact that very few people are ever likely to pay so much as a penny of estate tax. A Wirthlin Worldwide Poll in August 1999 found that 50 percent of voters strongly favor a phaseout of the estate tax, with another 20 percent somewhat in favor. Only 15 percent were strongly opposed. A possible reason for these results may be found in a *Newsweek* poll taken in June 1999, in which 41 percent of Americans thought it was very likely or somewhat likely that they would become wealthy. Only 26 percent thought they had no chance. This suggests that a key reason for opposition to the estate tax is that Tocqueville's vision is still alive and well in America.

Some scholars suggest a middle ground in the estate tax debate: Abolish the estate tax, but broaden the taxation of gifts by treating them as income. The great economist Henry Simons once suggested that this is in fact the most theoretically sound means of taxing transfers. It does not appear that there would be any constitutional bar to the inclusion of gifts in the income tax. A variation of this idea would be to switch from an estate tax, where assets are taxed as a whole, to an inheritance tax, where heirs are taxed individually, as most other countries do. This reform is supported by some liberals as encouraging the breakup of large estates.

Another group sees taxation of capital gains at death as a better way of taxing estates than the current estate tax. Under such a scheme, death would be treated as a realization of capital gains for tax purposes. Canada has such a system in lieu of an estate tax. Not only would it raise about the same revenue as the estate tax but it would redress an unfairness resulting from the "step-up" of basis at death. (Under the current law, the value of assets is "stepped-up" at death—meaning that an heir who acquires an asset through inheritance will pay capital gains tax only on any increase in value from the time he received it. Any increase in value during the life of the person who originally purchased the asset thus escapes taxation.) Even conservative Republicans, such as Sena-

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tor Jon Kyl of Arizona, now favor taxing capital gains at death as a substitute for the estate tax.

While either taxing gifts as income or taxing capital gains at death (instead of taxing estates) may have their own problems, at least they would lead to a sharp reduction in complexity and tax rates. The 39.6 percent top rate on incomes and 20 percent top rate on long-term capital gains are both well below the 55 percent (60 percent in some cases) top estate tax rate. And because assets would be taxed under existing provisions of the Tax Code, the entire estate tax section of the Code, with all of its supporting regulations and court precedents, could be dispensed with forever.

However, while the problems of the estate tax would seem to make it ripe for repeal or major reform, the vast growth in wealth in America is, at the same time, fueling support for new taxes on wealth. For example, New York University economist Edward Wolff has proposed an annual wealth tax for the United States of 0.3 percent on assets over $1 million, which he estimates would raise more than $40 billion per year. Two Yale Law School professors have proposed a 2 percent annual wealth tax that would raise $255 billion per year in order to finance an $80,000 grant to all Americans on their twenty-first birthdays. And during his abortive run for the Reform party presidential nomination, Donald Trump proposed a one-time tax of 14.25 percent on all wealth above $10 million to pay off the national debt.

The war against wealth, it would seem, is a never-ending one. While there are those who genuinely believe, however naively, that preventing some people from gaining wealth via inheritance will somehow make everyone else better off, it is more likely that envy is responsible for much of the antagonism toward wealth. While at present there appears to be some political support for abolishing the estate tax, it seems certain that if this were to occur something else would take its place. Meanwhile, those favoring new taxes on wealth have been busy and may yet find support for their proposals.

Abolish the estate tax

The fundamental justification for estate taxation is that great private wealth is socially undesirable. A secondary rationale is

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that inherited wealth is undeserved and perhaps even harmful to the recipient. Hence, high estate taxes are good for society and perhaps even for those who would otherwise be corrupted by inheriting unearned wealth. Hardly anyone argues that great private wealth is good for society. Yet unless that case is made, those seeking to abolish the estate tax will not likely prevail. Ultimately, the case for abolishing the estate tax must rest on a belief that failure to allow for the accumulation and free disposition of great wealth is bad for society as a whole.

Behind the drive to acquire wealth is the laudable desire to give one's children the benefit of that wealth. Take that away and many successful entrepreneurs and businessmen would lose the desire to work, invest, and be productive once they had enough to live out their own days in comfort. More fundamentally, estate taxes are an infringement on private property. If people cannot give their assets to whomever they please without penalty, they really don't own them. Secure property rights are generally understood to be essential for economic growth. And thus to the extent that estate taxes undermine those rights, growth will decline and society as a whole will suffer.

One must look primarily at the impact of estate taxes not on heirs but on those who acquire wealth and desire to pass it on. In short, one cannot look at the effects of the estate tax only on those at the receiving end, for the main impact is on the givers. Here the danger is that the estate tax, coming as it does on top of income and other taxes, imposes a de facto marginal tax rate on our most productive citizens. Economists now universally recognize the disincentive effects of high tax rates. But because the estate tax is imposed on wealth rather than income, and on the deceased instead of the living, it almost always falls outside the universe of taxes that economists concern themselves with. But as the nation's wealth rises, more and more of the middle class are affected by the estate tax, or at least believe that they might be. Consequently, they alter their work, investment, and other decisions in ways that benefit neither themselves, their heirs, the economy, nor the Treasury. The reality is that the pursuit of wealth—including the desire to pass it on after death—is a major motivation for work, saving, investment, risk-taking, invention, innovation, and

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entrepreneurship. In the process of acquiring personal wealth, however great it might be, individuals create far more wealth for society.

Ultimately, the goal of egalitarianism should not be to bring the wealthy down but to raise the poor up. The estate tax is an impediment to that goal. Ironically, it does more to keep the poor down than to bring down the wealthy. It does not promote equality but does impose a heavy cost on the economy and society. It should be abolished.

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The burden of wealth

JAMES K. GALBRAITH

BRUCE Bartlett is an old friend from the Joint Economic Committee of the early 1980s, where he was chief supply-sider and I was, in effect, chief Keynesian. He has now written an essay much in the vein of those days: a bold defense of wealth and inequality, capped by a stirring call for more of both. By and by, there is discussion here of abolition of the estate tax—today's wedge issue for Republicans. But in his absorbing discussion of inheritance and taxes, Bartlett fails—or simply forgets—to explain *why* this particular tax should be abolished.

Taking the larger issue of inequality first, I am as it happens an egalitarian Keynesian. But I do not dissent from the philosophical view that inequality is necessary. The question is, rather, how much? More or less than we have now?

Bartlett favors high inequality, and his first argument is straight from Schumpeter: Major innovations start as expensive toys. Yes, in some cases. But on the other hand, the *diffusion* of innovations requires mass purchasing power. The automobile got started in the Gilded Age, but it exploded onto the mass markets only after the wage leveling of World War I. Likewise, the home-ownership boom of the fifties and sixties required the further leveling of World War II and the suburbanization that followed, helped along by the many federal programs that bolstered the middle classes in those years.

The computer figures heavily in Bartlett's essay, but it is a counterexample. As Bartlett concedes, the early computers (mainframes) were used exclusively by government, universities, and large corporations. The IBM personal computer, introduced in 1981, went directly to the middle class, and cheap versions were available within a year. (Bartlett is misleading on the facts of personal computer pricing. An early mass market computer, the Kaypro II, sold in the range of $2000 in 1983,

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and this has been a standard introductory price level for increasingly powerful computers ever since.) Fancy personal computers for rich folk—the GRiD, for instance—never succeeded; there never was an important role for private wealth in the dissemination of the PC.

In the new information economy, where *density* of connections is vital, more egalitarian nations are likely to be more technologically progressive, not less so. For this reason, a very egalitarian but not-very-rich country, Finland, leads the world in Internet and cell-phone penetration. The more highly unequal societies—Brazil, for instance, or Spain—are not the leading adopters of new technologies. What holds them back is not that they are too poor on average but that their purchasing power is too unequally spread.

In other words, Bartlett has mistaken an artifact—the high price of new products—for a necessity. The sequential pricing and downgrading of a new product from luxury to mass consumption is not just a function of declining costs but also of the demand curve. It is an effect, in part, of the prior distribution of wealth. A more equal society generates a different pattern of product design and pricing, actually making possible more rapid diffusion in the case of network goods. And even highly equal societies have perfectly good institutions—governments, universities, and big companies—who can get the process going by paying for the R & D.

BARTLETT'S second argument concerns mobility. Here he takes what I believe to be the losing side of an intense debate. The studies he cites have been said—by Paul Krugman and others, for instance—to be spurious. It is no mobility at all when a college student with a summer job, a short-term denizen of the lowest income quintile, emerges five years later as a junior associate in a law firm. Good research into mobility has to control for such things; work that does so finds that social mobility is much lower than Bartlett claims. Single moms don't move from welfare to the Forbes 400; J.K. Rowling, on her way to becoming the great exception, lives in Scotland.

But for present purposes, this dispute is a detail. What matters here is the attitude that this discussion reveals. Bartlett *favors* mobility, and for a good reason. He paraphrases Anthony Shorrocks with approval: "Income and wealth mobility are unambiguously good because they mitigate inequality." He argues that "inheritances are insignificant as a source of major wealth in America." He writes: "Even the Rockefeller fortune,

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perhaps the greatest of all time, has been broken into so many pieces and been so depleted by charity and bad investments that little of it remains." Whether this is true or not, I detect no sign of disapproval.

One might think that an author taking this position would favor, rather than oppose, tax-law measures that encourage social mobility and the unimportance of inherited wealth. And one might suppose that an author who believes inheritances to be naturally unimportant would not, at the same time, argue that a tax on inheritances is socially destructive. But no, and no again.

WHEN Bartlett turns to the estate tax, his argument reduces to a single theme—namely, that "the desire to leave an estate drives people to work and save." Why this should be true, in a rational world where people accurately assess their chances of leaving an estate, let alone a taxable one, is unclear. Bartlett also does not explain why the mere fact that some large estates are taxed, under a system that exempts almost all actual accumulations, should rationally reduce this "drive." Isn't it just as likely that most people will disregard the tax, while the truly driven will redouble their efforts? Never mind. Apparently, there hangs over inheritance taxation the specter of early retirements—a tax strike by the extremely wealthy—with consequent and cataclysmic loss of their work, savings, and investment.

The threat of a tax strike by the rich is terrifying, but it squares poorly with two other points Bartlett makes. First, he notes that for those of truly great wealth, the estate tax is said to be "essentially voluntary." Why would someone who can evade the tax easily also decrease their work effort (or perhaps redouble private consumption) in order to avoid the initial accumulations? Second, Bartlett argues that the estate tax falls disproportionately on those with "recently acquired, modest wealth" who are not entirely aware of their own accumulations. Perhaps so. But, how can such people have been influenced in their behavior by the marginal rates of a tax they never had reason to think they would pay?

Coming down to real life, Bartlett concedes that only 2.03 percent of decedents are presently subject to the estate tax. It follows from this, surely, that only a tiny fraction of the population is at even minor risk of withdrawing its labor in order to evade the tax—orders of magnitude less than the routine annual flux of the unemployment rate. It is clear on the surface

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that the conscious reduction of labor and refusal of income opportunities by the well-endowed must be a very, very minor social problem.

The 2.03 percent tax incidence is worth bearing in mind a few paragraphs further along, when Bartlett brings up the awful fears of small business owners about estate taxation. "According to a recent survey," he writes, "51 percent of family businesses would have significant difficulty surviving in the event of a principal owner's death, due to the estate tax." This is a survey, evidently, of family businesses' attitudes. What it plainly reveals is a gap between tax law and tax understanding. The 2.03 percent of decedents who actually pay the estate tax cannot possibly cover a majority of family businesses, let alone threaten 51 percent of them with extinction. And of course, in the real world, small businesses routinely insure against their estate-tax liability. They may not like the insurance payment, but it does take care of this problem; if the life insurance doesn't wipe them out, the estate tax won't either. We shall return to the insurance issue below.

The truth is that most accumulations under the estate tax have little to do with work effort at the margin. They have to do with a flash of business acumen, a stroke of luck, a bit of well-timed gambling, a little creative genius, somewhere along the line of life, or else with the steady accumulation that comes from frugal habits and good professional employment rather than from particularly hard work. It helps, too, to die at the peak of a profits boom. There is no reason why a tax on accumulations made in these ways should diminish work effort—although the accumulations themselves may well do so, both in the present and in successor generations. Perhaps from the standpoint of this problem, they should be taxed more heavily earlier on.

A POLITICAL sociologist might wonder why the push to repeal the estate tax happened just now, in year 2000, and not earlier. A clue can perhaps be found in the pattern of voting in the Senate, where liberal Western Democrats (Patty Murray, Ron Wyden, Dianne Feinstein) joined Republicans in favor of the repeal, while moderate Eastern Republicans (Olympia Snowe, Susan Collins, Lincoln Chafee, James Jeffords, and Arlen Specter) joined the Democrats in opposition. The clue points at the particular tax profile of the new-economy firms, the information technology enterprises and dot-coms that have emerged mainly in the West. These firms have founders who

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hold a large share of their company's stock, and staff who often work for stock options rather than cash. Such firms have, naturally enough, a cult of the share price and the unrealized capital gain; they are corporate citadels of legal tax evasion.

The untoward death of a founder or major inside shareholder in such a company might well have grave consequences for the firm. If it forced the sale of a founder's stockholdings, the effect might depress the stock price, reducing not only the value of the remainder of the estate but also wiping out the options on which leading staff have come to rely. This could be big trouble for a sector that has little in the way of actual revenues, let alone profits, to fall back on. And while, as noted above, small businesses routinely do insure against this risk, it is not obvious that one can insure a multibillion-dollar paper fortune whose actual value at time of death cannot be predicted. With respect to that Senate vote, it may not be coincidental that insurance companies, with Republican connections and a life business three times the size of estate-tax collections every year, are headquartered in the East.

Is this a reason to repeal the estate tax? It is, rather, a strong reason to keep and strengthen it. The last thing we should want is for the current weakness of capital gains and income taxation vis-à-vis the new economy to permit the emergence of a super-class of the completely untaxed. If that is part of the new economy's allure—if much of what has been sold to the public as a technology boom has been, in fact, a combination of stock manipulation and tax loopholes—then surely we should be grateful for the estate tax, our last bulwark against the triumph of such a group. If eventually the control of new-economy companies passes, as a result, to nonprofit foundations, well, what is the problem with that?

IS there a positive case for the estate tax? I believe that there is, and Bartlett has made parts of it, more or less unconsciously. It has four parts. First, the estate tax taxes mainly accumulated capital income. This is a good thing. Labor is taxed too heavily in this country, capital too lightly. And the problems of taxing unrealized capital gains at death (of determining basis, particularly) are such that the estate tax plugs a gap in what would otherwise be a particularly large loophole.

Second, by breaking up and reducing some large estates, the estate tax encourages mobility of wealth across generations. Granted the effects are not tremendous. But they are

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surely present and could be made greater by reducing loopholes for the largest estates. Surely, the small role of inheritance in modern America (if Bartlett is right about this) is partly due to the tax on it, and the fact that most fortunes are new is related to the fact that so few of the older ones survive the combination of the tax and the measures taken to evade it.

Third, the estate tax encourages gifts, education expenditure on young relatives, and charitable donations. This has an equity effect, redistributing wealth during the lifetime of the donor and encouraging the buildup of human capital among the young and social capital in the nonprofit sector (especially universities, churches, hospitals, and foundations). In this respect, it greatly (and one would judge, effectively) discourages misers, of which America has comparatively few. It also has thereby a macro-efficiency effect, encouraging the timely expenditure (investment) of accumulated financial wealth. It is a barrier, in other words, to the Paradox of Thrift, and so contributes to the achievement of the full employment that is the cornerstone of America's current prosperity.

And finally, the estate tax raises revenue. A dollar is a dollar. Opponents of the tax dismiss the sums as insignificant, but if the tax is insignificantly small, it cannot also be a large burden on social welfare. And if the problem is that taxes *generally* are too high, reducing work effort, savings, and so on, then why not reduce them on working Americans? Why not cut the Social Security payroll tax, for instance, a serious and direct burden on work and employment? The estate tax could be credited, to make up the difference, to the Social Security Trust Fund.

FUNDAMENTALLY—and Bartlett's essay makes this clear at the end—opponents of the estate tax are arguing that the privileged position of the wealthy in the United States should be made even more so. All the checks that civilization imposes on the rich, from liability to regulation to taxation to antitrust, are in the bomb-sights of this merry band. A sublime faith in the natural benevolence of the wealthy, a desire to submit, that is their creed.

Sorry, I don't share it. I don't dislike or dishonor the wealthy, but I think they should be treated like other Americans, as citizens with the same duties and obligations as have we all. They should be taxed in full proportion to their means, for the more that taxes fall on them, the less they have to fall on everyone else. And our children should inherit not a personal

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fortune but a society in which the reasonable chance to do well in life, to rise and prosper according to merit, is not foreclosed. The estate tax is merely one small, but useful, instrument to that effect.

A reply

BRUCE BARTLETT

MY friend James Galbraith confuses the argument for equality with the argument for redistribution, and confuses both with the case for the estate tax. One can concede that a more equal distribution of wealth is a good thing without favoring redistribution. And one can favor redistribution without supporting the estate tax.

Also, Galbraith assumes that greater equality arising from leveling down—punishing the rich—is no different than that arising from leveling up—improving the lot of the poor. A good egalitarian can favor equality arising in the latter case while still in good conscience opposing the former. How it helps the poor to confiscate the wealth of the rich is a mystery to me. There is certainly no reason to believe that eliminating the estate tax would cause any reduction in aid to the poor, given the small revenue raised by the tax.

The critical fact about the estate tax is that it does not make wealth more equally distributed. As Alan Blinder, an economist whose philosophical view is similar to Galbraith's, once said, "The reformer eyeing the estate tax as a means to reduce inequality had best look elsewhere." Indeed, international data suggest that wealth is probably more unequally distributed in the United States than in countries with no estate tax. These include Canada, Israel, Australia, and New Zealand, among others.

A key reason is the availability of estate-planning techniques. While, in principle, estate planning is available equally to those with large and modest wealth, it is clear that those with large wealth exploit them to a much greater degree. This

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is clear from the latest IRS data from 1997:

Size of Estate (millions)	Effective Tax Rate
$0.6–1	2.3%
1–2.5	9.0
2.5–5	15.0
5–10	17.7
10–20	17.9
20 and up	11.8

One can assert, as many estate-tax defenders do, that those complaining about the tax should simply do a better job of estate planning. I prefer to think that there is something fundamentally wrong about a tax whose burden rises in proportion to a taxpayer's ignorance. I agree with Henry Aaron and Alicia Munnell—two other economists who share Galbraith's passion for equality—that estate taxes aren't really taxes at all, but "penalties imposed on those who neglect to plan ahead or who retain unskilled estate planners."

Galbraith asserts that egalitarian societies adapt more easily to new technology. To be sure, some countries with greater wealth equality are leaders in Internet penetration, while others with greater inequality are lagging. But if one were to take Galbraith's argument seriously, the United States would be at the bottom of the list, when in fact it is at the top. More importantly, these more egalitarian societies seldom originate new technological ideas or are the first to implement them. The reason is that the rewards to innovation are small, as is the cost of failure. Like it or not, there is no free lunch for the egalitarians—technological progress demands that great risks be taken and that the returns be equally great.

GALBRAITH, like all egalitarians, too easily dismisses my discussion of mobility. They implicitly believe, or at least argue, that redistribution is justified because otherwise the same people would be rich forever. The estate tax fits in nicely with this view because one can always incite outrage over those who are wealthy simply by dint of the luck of birth.

The problem with this argument is twofold. First, the rich are not the same people year after year. The magnitude of mobility in and out of wealth is very high—far greater than can be accounted for simply from college students with summer jobs getting full-time jobs a few years later. The principal

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factor accounting for upward wealth mobility appears to be a family's willingness to save and invest. As I note in my article, inheritances account only for a small fraction of household wealth.

The second problem is that while one might justify denying wealth to those who have not earned it by taxing or even confiscating inheritances, one cannot do so without affecting the incentives of those who accumulated the wealth in the first place. Galbraith dismisses the idea that people work, save, and invest in order to leave an estate. But it is clear that people do. It is interesting to note that those lobbying most heavily for repeal of the estate tax are not potential heirs but farmers and small businessmen who fear they will not be able to pass their farms and businesses on to their children.

FINALLY, Galbraith repeats the commonly heard argument that the estate tax in effect plugs a loophole in the law that allows capital gains to escape tax at death. Under present law, gains are "stepped-up" at death, and heirs pay tax only on gains that accrue after the decedent's death. However, the recent bill to repeal the estate tax, which passed the House and Senate over the summer, included a carryover basis provision that would require heirs to pay capital gains from the date of original acquisition by the decedent.

Space prevents dealing with other issues raised by Galbraith. Suffice it to say that his arguments do not seem to resonate much with the American people. A June 2000 Gallup poll found 60 percent of Americans favoring abolition of the estate tax. The vast majority of these indicated that they would not personally benefit from such action.

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The new gospel of health

RONALD W. DWORKIN

OVER the last two decades, the public has come to embrace the importance of the "healthy life style," which is said to include a proper attention to diet, regular exercise, no smoking, and less alcohol. The healthy life style has even become a political movement, with tobacco opponents being the most aggressive. In the view of conservatives, the health activists are trying to create a "nanny" state, while the activists insist that they are simply practicing preventive medicine. But there is a deeper consequence to the efforts of health activists, one that neither they nor their opponents fully appreciate. The healthy life-style movement is setting the stage for a new explanation and justification for why people become ill and suffer.

In the past, patients often looked to religion to understand their sufferings. Christianity, for example, views suffering within the context of man's fall from grace. It is seen as both a punishment and a means of salvation; while it is painful to suffer, a closer union with God follows from suffering. This

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way of thinking about, and dealing with, suffering can often be discerned among religious Christians who are ill. In my own experience as a physician, I have noticed that an eerie calm often radiates from the faces of religious patients as they pray with pastors at their bedside. It is as if a tincture of gladness was mixed in with their sufferings. At the very least, they seem to have a clear understanding of things. They do not appear to be asking "why me?," nor do they give the appearance of resenting their difficult circumstances. Rather than suffocating in some cursed bondage, they seem contented and unsurprised.

In contrast, patients who are not religious seem unable to put their sufferings in a larger context or imagine a higher purpose to their anguish, and so they feel helpless, confused, and wretched—merely the random victims of natural processes. The healthy life-style movement, however, attempts to rescue these patients by arming them with a new understanding of why people become ill and suffer. It provides them with a rational account of their sufferings and so excites in their minds the kind of hope and optimism that religion once did.

The healthy life-style movement starts with the idea that sickness is avoidable. There is now plenty of information available on the consequences of smoking, drinking, overeating, and underexercising. Even the government has become involved in spreading the word. The underlying premise of the healthy life-style movement is that people have been warned, and that if they persist in their unhealthy life styles, they have only themselves to blame if they fall ill.

Yet mixed in with the movement's accusatory tone is a hope and a promise, that with proper attention to life-style habits, a person's health can be regained. The explanatory power of the healthy life-style idea exerts an almost magical effect on the disposition of patients, much as traditional religious notions did in the past. While the life-style movement tells patients that getting sick is their own fault, it also helps focus their attention in a positive, productive way. This is important because the mental suffering that accompanies illness is often accentuated by the apparent pointlessness of it all. When people are happy with their lives and then suddenly find themselves sick, they may cry out, "Nothing makes any

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sense!" The setback engenders intense feelings of bitterness and resentment, and a fear that the disease is a negative judgment on their entire lives. By ascribing illness to a cause like a bad life-style choice, patients are able to regain the sense of balance that comes from associating a complex problem with a single factor, in much the way that devout patients gain peace of mind by orienting their experience toward God.

The gods of health

At first glance, it would seem that the healthy life-style movement and traditional religion have nothing in common, since the former is connected with science. But like religion, the healthy life style fits largely in the realm of belief. Many patients make associations between life-style habits and medical problems that are not evidence-based. It is unclear, for example, whether a high intake of butter necessarily leads to having a heart attack or whether a lack of exercise causes a stroke. But in the minds of secular people who have embraced the healthy life style, it does not really matter. What does matter is that they believe in the association. And that strong belief, like a firm belief in God, is what eliminates the feelings of doubt, impotence, and hopeless confusion so often found among the sick.

When patients believe that their suffering has a clear and precise cause, an element of uncertainty is eliminated from their minds. The reason behind their sickness becomes clear to them, and rather than dissipate their mental energies in needless and unproductive wonder, they start to focus on the task of getting better. The major difference between patients inspired by traditional religion and those oriented toward the new healthy life style is that the latter feel a sense of empowerment. They believe that health and sickness are under their control. Unlike religious patients, who are often calm, even passive, as they put themselves in the hands of God while undergoing rehabilitation, secular patients animated by belief in the healthy life style are almost frenetic. They see their effort to get better as another form of self-improvement or self-assertion. They go to diet centers where a sign may say, "The first step in controlling your health is controlling what goes into your mouth." They join gyms and "wellness centers."

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Since they believe their illnesses are caused by poor life-style choices, they are emboldened to make new choices. What encourages them to start on the path of recovery is the fervent belief that good health is totally within their power.

This may be more religion than science, but religion does not have to be true to be powerful. It need only sway the will of its believers. And because the healthy life-style code is couched in the language of science, even health professionals believe it. With only a cursory knowledge of public-health data, doctors and nurses tend to upgrade a mere association between a life style and an illness into a direct causal relationship. Thus medical professionals sometimes house in their minds an obscure notion that patients, by smoking or drinking or overeating, almost get what they deserve—that their illness was "caused" by a bad life style—and it is only when they are confronted with their illogic that they rethink their judgment.

This prejudice was first revealed to me as a medical student: While caring for a 90-year-old patient with cancer, I was told by my professor in reference to the patient, "If you know smoking and alcohol, you know medicine at the VA [Veterans' Hospital]." To be sure, a connection sometimes exists between life style and disease among the elderly. But it seems almost perverse to emphasize bad habits in a 90-year-old smoker dying of cancer who, had he not smoked, would have lived to 93. By fixating on the patient's life style, the professor had both an explanation and a justification for the patient's suffering, which seemed almost to please him.

The healthy life-style movement shares something else with traditional religion: Both are not just support systems for the sick but also sources of comfort for the healthy. Over the last decade, there has been some debate within the medical community over the shift toward preventive medicine. In the past, medical treatment was curative or remedial, designed to help a person once he had fallen ill. (The major exception was in the area of infectious disease, which quickly became the preserve of public health.) The expanded notion of preventive medicine has slightly changed the purpose of medicine. More and more, medicine is about policing human conduct and controlling risk, as preventive medicine now covers not only infectious disease but also life-style choices and personal safety.

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Some physicians argue that there is no scientific basis for the expansion, that the infectious disease model of aggressive prevention cannot be applied to other disease states. But this criticism, while perhaps accurate, misses a major, nonscientific purpose of the new healthy life-style movement. Like traditional religion (and unlike traditional medicine), the life-style movement is designed not merely to save lives but to put the entire human condition in perspective so as to give psychological support to the healthy.

Nature divides the sick from the healthy, but since healthy people are generally anxious about falling ill, psychology brings the two groups together. In the past, healthy people looked to religion to ease their fears of falling ill, but in the healthy life-style movement, the healthy are reassured in a slightly different way. They are encouraged to believe that health does not turn on the power of God or fate but on things under their own control like character, conscience, and will power.

For example, in my own experience as a physician, I have often interviewed sick patients who proudly say "no" when asked if they smoke, only to discover that they have a 30-year smoking history and stopped just last week. Their psychology is totally transformed out of proportion to the positive effect that a mere one week of abstinence could have on their lungs. It was as if they saw their history of smoking as a mere traffic violation that could be erased from their record through good conduct and community service, so fervently did they equate their decision to stop smoking with a fresh start and newfound health.

At the same time, I have seen healthy people fear the smoking of one cigarette or the consumption of a fatty dinner, thinking that it might put them on the path to illness. Scientific medicine does not support such fears because the offending agent is not of sufficient quantity to cause illness. But in the healthy life-style movement, the understanding of disease is not restrained by material notions or biochemical laws. The movement puts so much emphasis on will power, self-control, and self-discipline that people become scared to pass the bounds of right conduct, and they believe that their health is as much fixed by some simple transgression or expression of weakness as it is by the laws of science. Such people emphasize a purity

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and precision that is more commonly observed in religious movements; and in their ideological fervor, they lose all ability to be practical or lighthearted about a common indulgence whether in themselves or others.

Still, if the science behind the healthy life style is not completely evidence-based, it does accomplish its psychological purpose. For those who are sick and have lost interest in traditional religion, it offers hope. For those who are secular and healthy, it offers a sense of control, though at the price of occasional neurotic behavior.

To some degree, the healthy life-style movement comforts the healthy by making death seem less mysterious. In the case of the 90-year-old patient mentioned above, to blame an elderly man for dying is silly, but for healthy people (including medical professionals), there is a kind of security that comes from knowing why death occurs, and in the larger context of the healthy life-style movement, the notion that terminal illness turns on choice makes it seem less random or gratuitous.

Communities of the sick

In the past, doctors tended to their patients' health and left the care of souls to religion. The connections they formed with their patients had no singular tone, for doctors were part-friend, part-confidant, and always loyal companions in suffering.

The situation now is somewhat reversed. Because of the time constraints put on physicians practicing in the environment of managed care, there is often less time available to establish the kind of rapport that once existed between doctors and patients. Many physicians, for example, now limit their office visits to 15 minutes. Patients sense the rushed atmosphere of the office and so voluntarily withdraw from the idle banter or chit-chat that is the prerequisite to more serious intimacy and understanding. They do not want to bother their doctors.

At the same time, the healthy life-style movement gives the medical profession a brand new role. Doctors are not just skilled professionals but also the expounders of universal truth and right conduct—they define the healthy life style. And while secular people may be little moved nowadays if their

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licentiousness is criticized by a minister, they will stand before a physician with a kind of sacred terror when they are ill. In the age of the healthy life style, when doctors are the arbiters of clean living, patients seem almost ashamed to go to them with problems, for they know that what awaits them is often a stern lecture against overindulgence, poor diet, or bad personal habits. This is how health professionals enter the realm of the soul that was once reserved for religious guides. The doctor no longer just treats suffering; he now renders judgment on it.

Yet the need for companionship in suffering has not changed, and so other institutions have taken on the old role of supportive doctor, especially for people who are no longer active in traditional religious communities. Over the last few years, there has been an explosion in the number of self-help communities, both real and on the Internet, devoted to health issues. These communities, which are generally devoted to helping people with a specific illness, provide a medium for patients to talk about their illnesses, to exchange opinions, to express their fears and concerns, and to enjoy mutual support. There are reportedly about 20 million Americans affiliated with some kind of self-help organization.

These communities are not microcosms of society at large, but on the contrary, very specific groupings of people who suffer from the same disease. Using the Internet to find a self-help group, for example, people need only scroll down a list of diseases, beginning with the letter A, to find the self-help group appropriate for them. Not only are these communities homogeneous and self-selective by definition but often group members attempt to exclude those who are healthy or who suffer from different diseases. This is done to preserve a strong sense of companionship

Another reason for the restriction is that patients find it easier to converse and express feelings when everyone seems equal and the same. Several patients have told me that they have confessed feelings and anxieties to fellow members of their self-help community which they would have never revealed to their friends or families, especially when the conversation takes place in cyberspace and the interlocutors are anonymous. Because each member of a self-help community is af-

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flicted in the same way, there is little fear of embarrassment.

In many communities of the sick, a peculiar sense of normalcy soon overtakes the spirit of mutual support. Sickness gradually turns into a "life style," as group members go to lectures, book-signings, conventions, even sporting events together. In a fashion, members learn to be good neighbors by writing to each other as pen-pals, helping each other find bargains in medical supplies, or just giving each other support. Even age is respected in the self-help community, though with a peculiar twist: Those who are at the more advanced stages of disease often talk to fellow members still in an earlier stage with a kind of stately wisdom, and they tell the less ill how it will one day be for them.

The contrast with more traditional religious communities is stark. When religious people become ill, they generally find companionship and support in a community that includes both the healthy and the sick. The effort to rescue people from spiritual despair in a religious community does not come about by telling people how "normal" they are or how they can be just as goal-oriented and accomplished as healthy people. Instead, religion comforts the sick (and the healthy) by asking them to surrender themselves to God.

For nonreligious patients, the self-help community is an easier psychological fit than a religious community. This is because the animating spirit of secular culture is individual empowerment, not self-surrender. By living within the social confines of a self-help group, people gain the illusion of living full, enterprising lives. They set goals for themselves as they try to cope with their debilitating illnesses; they take pride in helping their friends; they even become politically active—for example, the legislative efforts of disability groups to remove barriers faced by their members. The very credo of many self-help groups is empowerment.

This is all quite laudable. Yet there is an underlying sadness in watching the community of the healthy and communities of the sick exist side by side in public space, each with very separate destinies and each, in their own way, hiding from the other. For different reasons, the communities willfully separate themselves, and eventually lose the capacity to understand how those in the other group might think or feel.

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People in the community of the healthy do not want to know the sick, for they fear their own mortality and loss of control, and this prompts them to keep the unhealthy and disabled at a distance. People in communities of the sick almost do not want to remember how it was to be healthy, for they fear seeing themselves through the eyes of the healthy and having their small achievements devalued.

There is, however, one important similarity between the traditional religious communities and the new self-help communities. Both reject much of what modern science has to offer. This is because people in self-help groups see clearly the limits of medical science in the treatment of the chronic conditions from which they suffer. They reject the hierarchical model of "listening to the expert" simply because the experts cannot help them. People in self-help communities also resist being treated according to the modern science of counseling. Professional therapeutic techniques, with their labels, disease subsets, and specialized vocabulary, have little weight with chronic sufferers, who tell counselors, "You cannot know how we feel!" Members of self-help communities gravitate toward the support of fellow sufferers and discover their own methods of coping, which are sometimes passed down like an oral tradition. This is how self-help exposes a tremendous weakness in the science of caring. Like religion, the doctrine of self-help recognizes a realm of the human spirit that science cannot reach. Ironically, as some traditional religious groups now try to "modernize" by incorporating scientific methods of counseling into their programs, the self-help groups are becoming the new bastion of that old idea which says science and reason cannot encompass the human condition.

The rise of the hospice

Some of these same themes can be observed in one special community of the sick—the modern hospice. The hospice movement tries to make terminally ill patients comfortable in their last few months of life and give them a sense that existence still has meaning even though death is imminent. It came to the United States from England in the late 1970s and has since become a prominent feature of the health-care system, with its own Medicare benefit. To participate in the hospice

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system, a patient must be diagnosed with a terminal disease and be expected to live only six more months. Most hospice patients live at home, where they are managed by the hospice's visiting home-care team. The hospice institution itself is reserved for patients who can no longer be cared for at home or when the primary caretakers at home are simply exhausted.

In some ways, hospices constitute the same challenge to medical science as other communities of the sick. Traditional hospitals are oriented toward investigation, diagnosis, and cure, which is often a physically painful process, and for those who are terminally ill, the point of enduring such pain is questionable. The hospice movement attempts to remove terminally ill patients from this path. Its goal is not cure, with all of its aggressive interventions, but palliation of symptoms. Medical science is a proud discipline, with a century of major breakthroughs behind it, and it is hard for those steeped in medical science and working in a hospital environment to admit that sometimes the situation is hopeless, that medical science has its limits, and that nothing more can be done. This is the hospice's insight.

Hospices also look beyond the actual disease of the patient and try to help manage the psychological and social difficulties encountered by terminally ill patients. They give a tremendous amount of support to families caring for terminally ill patients. Unlike hospitals, which primarily focus on the patient's disease at the expense of families (for example, the restricted visitations of families in intensive care units), hospices see families as a necessary part of care. Hospices look at a patient's condition in its entirety, not simply at the physical manifestations of disease. Like other communities of the sick, they are involved in the whole web of fears, desires, everyday struggles, and financial concerns that encompass the lives of patients.

The stand against science is also evident in the hospice's effort to help patients die comfortably at home rather than in the stark, barren environment of the hospital, which again complements traditional religious teachings. In the past, people often died at home, perhaps in the same bed where a family member was born, and the whole cycle of life was evident to all. The hospital environment obliterates this sense of a life

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cycle, as well as a sense of time altogether. With its forever-lit fluorescent bulbs, constant temperature, and never-ending activity, patients lose the sense of night and day in a hospital. They are forced to endure a single moment of constancy—as if the earth had stopped spinning on its axis and the sun stood still in the sky.

The hospice movement, like religion, returns to patients the sense of life as a journey through time. It does this by keeping them in a home environment for as long as possible and surrounding them with life's changes. The hospice campus will often host weddings, teas, and parties, as well as have playrooms for young children. In other words, patients are still immersed in time's flux.

Yet the spirit of the hospice movement differs from traditional religious ideas of counseling in a major way. Just as the effort to empower patients and preserve the illusion of control are prominent features of the healthy life-style movement and the communities of the sick, so too can they be found in the hospice movement. Hospices participate in this effort by emphasizing "choice." They try to involve patients in virtually every decision regarding how their care will progress and how they will spend their last few months of life.

The spectrum of choice is obviously quite circumscribed for terminally ill patients in a hospice. Unlike the healthy, who make decisions about work, vacations, money, and so forth, hospice patients are often limited to choosing between different drug schedules and menu plans, and giving advanced directives regarding what degree of medical intervention is to be permitted once terminal decline begins. But the hospice staff encourages patients to think about whom they want to spend their last days with, where they want to spend them, and what they might like to do—that is, to make choices. By encouraging patients to choose, the hospice is able to return to patients at least the feeling of free agency, the hallmark of secular culture.

This is very different from the experiences of death in the environment of the traditional religious community. In the past, dying patients were encouraged to gaze heavenward, at least with one eye, and rather than being bombarded with choices so as to respect their autonomy, patients were sur-

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rounded by an aura of peace, almost as if they were being prepared for the quiet stillness of eternity. Traditional religious communities did not try to maintain the fiction of control and independence to the very end.

At death's door

Religious belief is especially needed when death is near because, for many, it is a moment of sheer terror. In traditional religion, eternity's silent call has upheld the courage of dying people by implanting in their hearts the belief in a better world to come. Yet secular patients also need belief. Thus they often fasten onto supernatural notions as death approaches, and while some return to the mother religion they had ignored for years, others speak of an afterlife or the recirculation of souls in a way that does not touch specifically on Christianity or Judaism, in part because they do not want to feel like hypocrites.

The problem these people face is that secular ideologies, almost by definition, do not encourage people to break the boundaries of this life and cast their looks beyond. It is because the idea of an afterlife is absent from secular creeds that the new culture I have described so often encourages people to avert their eyes when staring into the face of sickness. Since there is nothing to look forward to after death, this culture often tries to conceal the truth of mortality.

But secular culture is developing its own solutions: By emphasizing individual empowerment, it is prodding patients to believe that the reason for existence disappears when individual progress and agency are no longer possible. Thus the rise of the assisted-suicide movement.

Personal value is achieved in contemporary secular culture by setting personal goals and improving oneself, even if just a little. Independent value is not awarded to human souls, in part because souls are viewed as a religious fiction but also because souls are static. They do not change or improve. They just exist, and in secular culture, people are praised when they aim for something and then achieve it. This is very different from how people are awarded value in religion, which is evident in the way patients are cared for within a religious community. Frail and bedbound, fed by a nurse without even

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control over their bodily functions, they are reminded daily that their very existence is still part of the miracle of life. Even though they may no longer be able to work or contribute to society or better themselves or even think, they remain part of God's plan for humanity. *They have value simply by existing.*

But secular patients who cannot advance or improve in any way, or even make choices, find it difficult to imagine any reason to continue living. This is what gives life to the assisted-suicide movement. While one branch of the movement argues that people should have a right to end their lives when they suffer intractable pain, another, equally important, branch argues that suffering should not be an essential prerequisite to assisted suicide. The suggestion is that if a person does not have a good "quality of life," then for all practical purposes, their life is already at an end and dying is a mere formality. Robert Sanderson, a patient trying to overturn Colorado's ban on assisted suicide, argued recently that "when the mind goes, the soul and the body are both gone too." This branch of the assisted-suicide movement does not value the mere spark of life that animates people; the mere possession of a soul is insufficient reason to live. This belief makes death easier to accept. For secular patients lying in bed, without the capacity to accomplish or choose or do, they are convinced that they are already dead.

Transcendence

Since there are few moments in life more difficult than when one is ill and suffering, it is not surprising that secular culture has found new ways of helping the sick who have lost interest in traditional religion. And if an idea gives the strength to endure and go forward, it is probably never a wholly bad idea. This is true of both traditional religious belief and the new cultural ethos I have described.

However, there are two facets of the secular culture that seem deficient in comparison with traditional religion, not so much in regard to its care of the suffering but in how it deals with those who have yet to suffer. First, secular culture tries to explore the mystery of suffering but also to remain carefully detached from it. While tales of suffering are forever

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being displayed on film and in books and magazines, they are displayed at a distance and thus touch people very lightly. When suffering is more real and immediate, and the potential to be affected by it is much greater, the effort is made to push it away—to isolate people in a community of the sick or to imagine sickness as being caused by a person's own bad habits. This mental disconnect gives rise to a peculiar paradox in modern culture, where people purposely go to the movies to wallow in the morbid, yet beg the sick off or almost refuse to believe in illness when it confronts them directly.

Second, secular culture helps control the fear of sickness and death, but not as thoroughly as religion. Traditional religion encourages people to detach themselves from the things of this world, even while they are healthy. People are told that by tenaciously holding on to everything in this world—health, beauty, and luxury—one will never enjoy them because of the fear of not having them or losing them. It is this radical perspective on earthly pleasures that allows religious believers to tend to the suffering with a lightness of spirit, an abundance of good will, and even a kind of relaxed indifference. Religious believers see the spirit of God in patients, not their horrible afflictions.

This transcendental component is absent from secular culture. As a result, the loss of life's good things is felt keenly by the healthy, and so the notion that suffering is simply a part of God's divine plan is not enough. In secular culture, there needs to be a way of pretending that sickness and suffering are optional, and that as long as safe habits are adhered to, the healthy will continue to occupy that part of the world where God has no control. This is the origin of the belief system that animates today's culture of suffering.

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Crime-fighting and urban renewal

ELI LEHRER

FOR most of the past 35 years, conventional wisdom has held that poverty causes crime. "Warring on poverty, inadequate housing, and unemployment is warring on crime," wrote the members of the 1967 Presidential Commission on Law Enforcement and the Administration of Criminal Justice. In college sociology courses, such thinking still dominates discourse: Steven R. Donziger's *The Real War on Crime*, an influential book published in 1996, concludes that "a program to reduce poverty levels ... will reduce levels of crime and violence and make the country safer." In 1999, a widely publicized report from the Milton S. Eisenhower Foundation came to much the same conclusion, arguing that well-run social programs for everyone, from at-risk youth to recently released prisoners, would mitigate the effects of poverty and, thus, reduce crime.

Yet a substantial body of criminological research over the past 20 years suggests that the relationship between poverty and crime runs counter to conventional wisdom. Social scien-

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tists such as John J. DiIulio, Jr., James Q. Wilson, Wesley Skogan, Leo Schuerman, and Solomon Korbin have shown that, in fact, poverty and neighborhood degradation often result from crime—not the other way around. Skogan, a Northwestern University criminologist who has studied what happens to places where crime and disorder increase, describes a scene of utter desolation: "These areas are no longer recognizable as neighborhoods."

I spent several months traveling to low-income areas around the country to investigate whether reductions in crime led to neighborhood renewal. My firsthand experience only reaffirmed the new thinking on poverty and crime: In short, when crime *drops drastically, low-income neighborhoods come back to life.* Commercial strips blossom with new businesses, housing improves, streets become safe at night, mediating institutions become stronger, and disorder vanishes from public spaces. Thus warring on crime is the best way to remedy a wide variety of social ills, and America's success in reducing crime ranks with welfare reform as the greatest *social policy* triumph of the 1990s.

Cutting the crime tax

Today, for the first time in a generation, police and low-income communities are winning the war on crime. When final statistics come out later this year, the FBI will announce that crimes such as murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson fell over one-third between 1990 and 1999, due largely to improvements in a few large cities like New York. Nevertheless, the late 1990s saw declines in every type of city and in every major category of crime. Between 1994 and 1998, only 29 of the 205 American cities with 1999 populations over 100,000 for which comparable data are available saw their crime rates rise. The preliminary data for 1999 paint an even more positive picture. In 1999, there would have been nearly 8,000 additional murders, about 20,000 additional rapes, and over 200,000 additional armed attacks had crime not fallen. Criminals would have committed more than 3 million additional crimes during 1999 alone and over 18 million more during the decade.

Many economists think of crime as a tax on urban life. In

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this regard, it proves particularly cruel; the "crime tax" actually charges the poor a *higher* rate than the wealthy. The Bureau of Justice Statistics' National Crime Victimization Survey shows just how much crime hurts the poorest Americans. For the 30 million or so Americans living in households earning less than $15,000 a year, crime represents a horrific fact of daily life. Compared to the middle class, the poor fall victim to nearly six times as many rapes, more than twice as many robberies, almost double the number of aggravated assaults, and half again more acts of theft. Crime is, in short, an inversely progressive tax.

Nine neighborhoods

To study the effects of crime reduction on civil society, I visited nine different neighborhoods in the cities of New York, Los Angeles, Boston, Garden Grove, California, and Providence, Rhode Island. I included New York and Los Angeles because they are the country's two largest cities and have reduced crime significantly. (Between 1994 and 1999, New York reduced crime nearly 45 percent; Los Angeles about 41 percent.) I selected the other three cities because they have reduced crime more than the average for cities similar in size and character. (Providence's reductions actually fall below the national average but are larger than those in most other small-center cities in the Northeast.) In the selected areas, which represented a range of low-income neighborhoods, overall reductions in neighborhood-level crime ranged from about a third to over 70 percent. Because precise neighborhood-level population counts aren't available, crime rates are all approximations. In most cases, crime fell as quickly or almost as quickly in neighborhoods adjoining those that I visited. For the most part, that is, police did not simply move crime from one neighborhood to another.

I made three stops in Boston. The Four Corners, Dorchester neighborhood is synonymous with the name of Reverend Eugene Rivers, who decided to work there in the early 1980s because it was so troubled. Between 1990 and 1999, serious crime rates have dropped nearly 70 percent for the mostly African-American neighborhood of about 28,000. Boston's Hyde Square, Jamaica Plain neighborhood once qualified as a war

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zone, but its 12,000 residents saw crime fall about 50 percent between 1990 and 1999. Boston's Upham's Corner, Dorchester neighborhood of 24,000 residents has also seen crime fall over 50 percent since 1990.

I made three stops in California, two in Garden Grove and one in Los Angeles. Garden Grove's Stewart Drive neighborhood was out of control by the early 1990s. Crime rates in this ethnically mixed neighborhood dropped by half for the area's 2,100 or so residents between 1995 and 1998. In 1983, the *Los Angeles Times* called Garden Grove's Buena-Clinton neighborhood "Orange County's Worst Slum." Yet crime has fallen around 50 percent. In the late 1980s, the residents of Yucca Corridor in Los Angeles often slept on the floor to avoid gunshots from rival gangs. Today, the neighborhood of about 8,500, just steps away from the tawdry glitz of Hollywood Boulevard, has a new park, scores of new community activities, and much improved housing. Crime rates fell over 40 percent between 1994 and 1999.

In Providence, Rhode Island, serious crime in the Armory District has fallen nearly 60 percent since 1989. Investment by the Armory Revival Company, a private, profitable concern with revenues that averaged about $7 million a year in the late 1990s, has transformed the neighborhood from a collection of burned-out hulks into a vibrant area of about 4,500.

New York's Alphabet City, a Lower-East Side Manhattan neighborhood, hit bottom when Ed Koch's administration sent in SWAT-team-like anti-drug forces under the mostly ineffective Operation Pressure Point in the late 1980s. Since then, the crime-fighting efforts of Rudy Giuliani and a series of new investments have slowly transformed Alphabet City from an open-air heroin market and campground for the homeless to a gentrifying area full of nightspots and boutiques. Crime has decreased about 65 percent since 1990 for the neighborhood's 70,000 residents.

By the early 1980s, The Bronx's Hunt's Point was one of New York's most desolate neighborhoods. The infamous Fort Apache police station sat on a plot of land where rampant arson had reduced several acres to prairie. Today, the once barren area around the Fort Apache contains prosperous looking single-family homes, and vacancies have nearly vanished

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along the Southern Boulevard commercial strip. Official crime rates fell a bit over 30 percent between 1990 and 1998 for the area's 50,000 residents. But neighborhood leaders point out that Hunt's Point experienced significant population growth in the 1990s, so safety has probably increased more than statistics indicate. After a population crash in the late 1970s, the area grew faster than any other in New York during the late 1980s, and fast growth continued in the 1990s.

Reducing crime pays

All of these neighborhoods consist overwhelmingly of people with low-to-moderate incomes: Poverty rates range between 20 and 55 percent, and a majority of students at local schools qualify for free or reduced-price lunches. Alphabet City, Hyde Square, and the Armory District—all well-located neighborhoods endowed with good housing stock and parks—have begun to see a sizable influx of young professionals and families, but remain mostly low-income by local standards.

For people living at the bottom of the economic ladder, commercial opportunities are quite limited. For such individuals, the improvements in the consumer economy stimulated by reductions in crime tend to make an enormous difference. When crime drops, the prospects of stores large enough to attract customers who don't live within walking distance improve. But since many neighborhood stores sell liquor and thrive when people fear leaving the few blocks they know best, such businesses see fewer positive effects. Shopping strips, however, benefit from a longer shopping day, reductions in merchants' fears, increased competition, and an influx of new types of business.

Through the 1970s and 1980s, crime degraded inner-city shopping strips throughout the nation. A 1999 Initiative for a Competitive Inner City/*Inc. Magazine* study found that nearly half of inner-city entrepreneurs believed perceptions of crime kept business out of the inner city, while around a quarter cited crime itself as a major consideration. (These results are understated: Most of those surveyed provide business-to-business services or manufacture low-value industrial components and, thus, don't handle products susceptible to theft.) Academic, government, and business researchers have found that

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inner-city residents leave their neighborhoods for more than half of all purchases—a conclusion that affirmed reams of previous research. If crime falls, in other words, profit-seeking businesses will fill the void that exists in inner cities.

Consider what has happened in neighborhoods with fast-falling crime rates: Upham's Corner Main Street Inc. says the commercial vacancy rate has fallen from nearly 40 percent to 16 percent since 1995. (Main Street programs, which exist in nearly every Boston neighborhood, perform the same promotion and retention functions as business-improvement districts but get most of their revenue from the city government rather than a local tax assessment.) Just as important, short-term vacancies tend to fill more quickly.

Hunt's Point's Southern Boulevard-area shopping strip had a high vacancy rate (and several nearby vacant lots) during the early 1980s. Walking along the street, longtime resident and business owner Ray Colon stops frequently to point out a store that sat vacant for years as the neighborhood declined. Today, only a few storefronts lack tenants, and business leaders say they tend to rent quickly.

In the Hyde/Jackson Square commercial area—which covers a slightly larger area than Hyde Square proper—almost no vacancies exist, and a new supermarket and strip mall have greatly increased total commercial space. In Alphabet City, once desolate streetscapes have blossomed with boutiques and bistros, and the city has sold most of its (almost always abandoned) properties along Avenues A, B, C, and D to private developers. In Yucca Corridor, a strip mall that provided a hangout for homeless people and gang members has shut down to make way for a new community center. A new motel and a high-end boutique have opened up in recent years, and a large new drugstore opened in the spring of 2000.

Commercial streets have become safer and more pleasant in every neighborhood studied, and the business environment improves when falling crime rates extend the useful shopping day. As Mark Culliton, the director of the Upham's Corner Main Street, points out: "Certain kinds of businesses believed that they couldn't thrive along this strip where people would only shop in the daytime." Since 1994, the percentage of area residents who felt afraid to shop in the Upham's Corner area

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has declined by more than half. "If it had remained an open-air drug market, we simply couldn't have expanded," says Linda Heidinger, owner of a gift shop in Alphabet City. "In December when it's dark all the time, people aren't going to do Christmas shopping here when they can do it somewhere where they feel safer," she says.

Falling crime rates also mitigate entrepreneurs' fears. Nearly every merchant interviewed who operated through a period of high crime tells a story of being held up at gunpoint and feeling helpless against shoplifting. "[Getting held up] at gunpoint was a constant fear," says Hyde Square children's clothing store owner Tony Barros. "It was a fact of being a small businessman in this neighborhood." As James K. Stewart noted in *Policy Review*, the high cost of insurance and security systems can prevent businesses from ever opening in crime-ridden areas.

At the same time, retail strips become more attractive to new categories of business when crime falls. "We had one drugstore but it wasn't enough; now that the area looks more attractive, we're bringing in a second one," says Culliton of Upham's Corner Main Street. New drugstores also opened in Hunt's Point and Yucca. In Upham's Corner, several new eateries have emerged. In Hyde Square, a new Stop & Shop provides competition for the *bodegas* that were once the only place to buy food.

Another effect of crime reduction is that law-abiding residents regain control of commercial sidewalks and other public places. Certain kinds of businesses, particularly liquor stores and bars, are often driven out, along with the criminal types they serve. "One of the liquor stores we bought out [to build a community center] was, simply put, a detriment," says Roxana Tynan, a community organizer in Los Angeles. In Buena-Clinton, a strip mall anchored by a crime-ridden bar fell to make room for a new factory producing beverage dispensers for recreational vehicles. With the exception of Alphabet City, where nightlife has produced a commercial renaissance, community leaders and investors all say that reducing the number of liquor stores, bars, and similar businesses plays a key role in cutting crime. And when crime declines, merchants become more amenable to efforts to make streets pleasant. "I would

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never have wanted it when we had all the crime," says Barros, motioning towards a small plaza with benches and a decorative sign.

With the improved atmosphere comes more competition—a boon for consumers, if not for individual businesses. For example, Barros, the Hyde Square clothier, says that his business remains below the $17,000-gross-sales-a-week level that he maintained when junkies taunted his customers. Of 23 retailers interviewed who worked through a period of high crime, not one said that falling crime rates played a key role in improving profits. On balance, however, falling crime rates serve to integrate inner-city shopping strips into the mainstream economy. Existing business owners do not always benefit, but the overall economy, residents, and shopping strips all thrive when crime goes down.

Home improvement

Large reductions in crime also improve housing. Throughout the 1970s and 1980s, many buildings in the neighborhoods studied were destroyed. But reducing crime enables landlords to get returns high enough to stimulate increased investment in housing. In New York's Alphabet City and Hunt's Point, there has been several hundred million dollars in new housing construction and remodeling since the early 1980s. Investment in Hunt's Point by the two largest nonprofits, Banana Kelly and SEBCO, created over $600 million in new or remodeled housing during the 1980s and 1990s, while Alphabet City saw the drug-addicted squatters immortalized in the musical *Rent* evicted from its buildings as profit-making developers entered in large numbers.

Boston's Four Corners currently has $22 million worth of new residential construction in progress, with another $30 million or so in advanced planning stages. Upham's Corner has benefited from over $120 million in total new investment during the 1990s, slightly more private sector than public sector. In Hyde Square, requests for rehab permits have more than doubled since 1990, and several sizeable new buildings have gone up. Armory Revival has poured nearly $10 million into Armory District construction and remodeling since it began operations. In Yucca, at least $5 million went toward refur-

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bishment and redesign of dilapidated buildings. Units damaged during the 1994 Northridge earthquake were also quickly replaced. (Previous earthquake damage was repaired much more slowly.) Legal action by tenants' groups forced some landlords to perform basic repairs, while efforts to clean up other buildings continue. Requests for rehab permits also increased greatly.

In Garden Grove, California, Buena-Clinton has seen over $20 million in investment since the early 1980s—about half of it private (most of the money was spent in the early to mid 1980s, so the improvements would cost far more today). In 1983, all but three buildings in the area were substandard; today, almost none are. Stewart Drive, the smallest and newest neighborhood studied, benefited from $20 million in investment—almost all of it through tax-exempt bonds.

Developers point out that the relationship between housing improvement and crime reduction is quite complex. On one hand, working, law-abiding tenants won't move into neighborhoods where crime rates are horrific. On the other hand, the first stages of remodeling tend to bring in "pioneers" who brave high crime in return for freshly remodeled living spaces. Housing investment in the neighborhoods I visited began before the drop in crime, but without the improved environment the new investments could not have been sustained. Edward Kuo, through his company Golden Remco, remodeled apartments in Buena-Clinton before crime began to fall, but saw them trashed. "Banks found out that we knew how to handle money and they made us a sort of Community Reinvestment Act poster child," says Armory Revival general partner Le Baron Preston, "[but] if everything had gotten destroyed ... eventually, the money would have dried up." Capoccia says that he can do more projects when crime goes down. "I would still want to invest if crime weren't down, but many of these large investments just wouldn't happen," he says. Kuo says that he might have given up if the police had not been able to reduce crime.

Although bad landlords do not disappear when crime goes down, their numbers decrease significantly because falling crime rates create hope for the future. Studies by numerous social scientists have established a link between housing values, the physical state of a neighborhood, and crime. When a landlord's

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property values drop significantly, burning a building to collect insurance often becomes one of the few ways to get a return on his investment. In addition, when crime drives rents low enough that a landlord's mortgage payments become greater than what he can collect in rent, overcrowding tends to increase. Filling a building to twice its legal capacity can yield enough revenue to pay a mortgage while still keeping rents low enough so that those who can't live elsewhere can afford them. Even landlords who are too ethical to violate the law will do only the legal minimum amount of upkeep if they feel that stable or even rising rents will not cover investment.

Civil society's rebirth

In neighborhoods around the country, community organizations provide more services when crime falls. Safer neighborhoods enable residents to spend more time participating in community activities and allow community activists to focus on issues other than crime. In addition, people with middle-class values find their position strengthened when crime rates fall.

Less crime means safer evening hours and, as a result, more time for activities ranging from summer camps to sewing classes. Representatives of community organizations in neighborhoods with significant declines in crime all said that they now offer more activities in the evenings. In Hunt's Point, the Casita Maria settlement house, which closed at 7:00 P.M. most nights before crime rates began to fall, now stays open until 1:00 A.M. on weeknights. "It used to be that we couldn't fill a lot of programs in the winter because people were just too scared," says Casita Maria director Martha Rivera. "Today, we have waiting lists for ESL classes, basketball leagues, sewing classes, whatever." Rivera estimates that enrollment in the center's programs has more than doubled since New York City's crime rate began its steep decline in 1992.

In Garden Grove, the Boys and Girls Club and landlord Golden Remco have begun to offer classes in Buena-Clinton (virtually no community programs existed before), while the landlord-sponsored "Uth Force" tutoring program has increased high-school graduation rates along Stewart Drive. "As best as we know, not a single Hispanic kid in the neighborhood gradu-

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ated from high school until five years ago," says neighborhood leader and property owner Vincent Vander Burgh. The numbers tell the story of Uth Force's success. In 1996, two area students finished high school; five did in 1997 and eight in 1998; 14 finished in 1999, and about the same number graduated in 2000. When the program first started, however, even getting students into the homework center proved a considerable challenge: Nobody wanted to come out at night. Now, Golden Remco's homework help center in Buena-Clinton stays open late nearly every school night—something manager Betty Chu says would have been impossible 15 years ago. Likewise, Buena-Clinton has gained a roller-hockey rink on the site of an apartment building once ruled by drug lords.

In Yucca, an area that had almost no community organizations five years ago, citizens now offer an almost bewildering array of activities ranging from ESL classes to parenting seminars. "It was so much easier to organize when safety wasn't always the number one concern," explains Tynan the community organizer. A new park has appeared where drug houses once stood, and a temporary community center now provides a daily hub for activities ranging from youth soccer leagues in the area's new park to language classes. A permanent facility will open in 2001.

Reducing crime also gives neighborhood activists more time to pay attention to their community's social needs. In its days as the Four Corners Public Safety Action Project, the Greater Four Corners Action Coalition dealt only with crime. Now the Coalition does everything from providing summer programs for children to attracting developers. "If you're worrying about crime all the time, then you can't really do much else," explains director Marvin Martin. Other community leaders echoed Martin's sentiments. "Once you've gotten crime down a little, you can move organizing efforts on to other topics—like city services, voter registration, parks, housing," says Jeanne DuBois, Executive Director of the Dorchester Bay Economic Development Corporation in Upham's Corner. In Dorchester, voter registration has boomed, while Reverend Eugene Rivers's organization has more than tripled the number of people it serves in Four Corners. Across town, the Hyde Square Task Force deals with about 150 youths a year through new sum-

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mer camps and educational programs. When crime declines, government officials also have more time. "Five years ago, nearly all of our priorities would have had something to do with crime," says John Robert, the Community Board District Manager for the Hunt's Point area. "Now we can focus on parks."

Reducing crime also improves the credibility of the values of decency and hard work, and reduces the influence of what sociologist Elijah Anderson calls the "Code of the Street." As Anderson explains in his 1999 book by that name:

> Simply living in [a crime-ridden, downtrodden neighborhood] places young people at special risk of falling victim to aggressive behavior ... street culture has evolved into a "code of the street" which amounts to informal rules governing interpersonal behavior, particularly violence.

As Anderson explains, even those who accept "decent" middle-class values need to know the Code of the Street in a neighborhood where violence represents a fact of daily life. In his book *Disorder and Decline*, Northwestern University's Wesley Skogan comes to much the same conclusion based on extensive research in Chicago and elsewhere: "Disorder," he writes, "fosters withdrawal, inhibits cooperation between neighbors and discourages people from making efforts to protect themselves and their community."

When crime declines, however, community leaders and, more importantly, ordinary residents, feel far more free to assert their values. "A lot of it was a matter of getting into a strong enough position," says Eugene Rivers, who spearheaded Boston's area-wide 10 Point Coalition of black churches. "It sometimes seemed like we were only making a little bit of progress but, eventually, the walls began to come down." Mark Van Noppen tells a similar story about Armory Revival's work. "At first, we would always have to put up with these street punks and almost had to go to war with them," he says. "After a while, things changed." Ordinary residents also feel better. "When you have lots of people trashing their homes and doing drugs, it's hard to think that you'll have any place to work from," says Providence's Anne Hill. "Once you reach a certain point, it's a lot easier to take good care of your neighborhood."

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A conservative social policy

At least since the 1960s, a great many social scientists have thought that alleviating poverty will alleviate crime. In the early twenty-first century, this thesis stands on shaky ground. Some social programs, particularly those that work with children and inculcate moral values, probably do help reduce crime.. But the latest wave of evidence shows that the best way to restore communities and lessen poverty is to reduce crime itself, not the supposed "root causes" of crime. The best-conceived and best-funded programs, public or private, will do little good in a dangerous environment. Alternatively, when falling crime rates bring commercial strips back to life, improve housing, help residents feel safe at night, and strengthen a community's stabilizing moral forces, it becomes possible to integrate even the most troubled areas into the American mainstream. So far the evidence looks good, and it is fair to say that crime-reduction ranks with welfare reform as the greatest social policy triumph of the past decade.

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Bobos in purgatory

DIANA SCHAUB

THE bourgeois boors whom H.L. Mencken dubbed the "booboisie" have experienced a curious inversion. A twist of bohemianism has turned the boobs into "Bobos." This latest neologism belongs to David Brooks, who sketches the features of the bourgeois-bohemians in *Bobos in Paradise: The New Upper Class and How They Got There.*† Although not stolid and doltish like the old elite—being ironic and sophisticated instead—Bobos are just as self-satisfied. And, as their silly name indicates, they are just as risible.

Calling his method "comic sociology," David Brooks does the comedy so well that one begins to suspect he must be related to other Brookses—he combines the razzle-dazzle vaudeville of Mel with the Boomer-centered sociological acuity of Albert. His early chapters on upscale consumer habits and business practices are particularly entertaining and on target. He is a close observer and has made the rounds of the stores (Fresh Fields, Anthropologie, REI) and, in some cases, entire communities ("Latte Towns" like Burlington, Vermont) that cater to the Bobo sensibility. The merger of bourgeois and bohemian is most apparent in how this newly dominant class spends its money. Bobos have figured out how to acquire goods and services while avoiding the accusation of greed. Indeed, they have gone farther, turning acquisition itself into a salve for the conscience. According to Brooks, Bobos "take the quintessential bourgeois activity, shopping, and turn it into quintessential bohemian activities: art, philosophy, social action."

Sure enough, as I write this review, I am drinking inordinately overpriced green tea packaged in "natural unbleached tea bags" and sold in an artfully designed recyclable canister bearing the following message: "A simple cup of green tea is imbued with a wisdom beyond wisdom, capable of enlighten-

† Simon & Schuster. 284 pp. $25.00.

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ing both mind and body. We invite you to heat the water, brew the tea and sip its greatness, taking in its teachings." The dregs of philosophy on the British Breakfast blend are even more extravagant:

> Life is impossible and so what? It is in its very impossibility that we find our joy. Tea Mind allows life to live us. It frees us from the hubris of trying to control what cannot be controlled. The life of tea is the life of the moment. We have only Now, and we each sip it in our own cups.

Needless to say, this is not a properly British attitude toward tea. For the Victorians, tea was a hard-won perquisite of empire; for the Bobos, it is the liquid voice of a nihilistic nirvana—or so the packaging promises. I'm prepared to believe that, in their different ways, both the British tradition of teatime and the Eastern tea ceremony may actually transmute a humble beverage into a mysterious elixir, fostering peace of mind, drawing the drinkers into communion, and awakening higher spirits. A $4.00 Starbucks "Tazo Chai" gulped down in the car during the commute to the office does none of those things. Bobo consumption is not coupled with any of the rituals or formalities that allow material things to conduce to spiritual experience. As Brooks acknowledges, "We educated elites surround ourselves with the motifs of lives we have chosen not to live."

The same appropriation is repeated for all the appurtenances of life, often on a vastly expensive scale. In his tour-de-force conclusion of the "Consumption" chapter, Brooks details the sumptuary codes governing virtuous spending: "Rule 1. Only vulgarians spend lavish amounts of money on luxuries. Cultivated people restrict their lavish spending to necessities." Thus, for example, "you can spend as much as you want on anything that can be classified as a tool, such as a $65,000 Range Rover with plenty of storage space, but it would be vulgar to spend money on things that cannot be seen as tools, such as a $60,000 vintage Corvette." If obedient to all seven rules, a Bobo can easily "dispose up to $4 or $5 million annually in a manner that demonstrates how little he or she cares about material things."

While he pokes fun at today's "countercultural plutocracy," Brooks does so with a certain gentleness (after all, he makes clear that he counts himself a Bobo). The humor is not scathing or barbed. He makes it pretty painless to recognize oneself as a Bobo—maybe too painless. The last paragraph of "Con-

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sumption" asserts, in all seriousness, that Bobos succeed in making sacred the profane, in spiritualizing spending and infusing commodities with soul. But all his wonderful anecdotes and examples would seem to show that Bobo soulfulness isn't much more than slogans and simulacra. What Brooks regards as a merger of the bourgeois and bohemian looks to me more like a hostile takeover. These are not Bobos, but Faux-bos (or Bo-fauxs).

If our conscience is soothed by acquisition masquerading as art, philosophy, and social action, then we ought to convict ourselves of superficiality. And if our conscience is not soothed, then one would have to say that the enlightened bourgeois remains afflicted with the self-loathing (the "bourgeoisophobia") he contracted when he internalized the bohemian critique. Either way, the quarrel within modernity between the Lockean position and the Rousseauean position continues. (Although Brooks does not mention Locke and Rousseau, he should have.) Brooks does, on occasion, suggest that there is trouble in paradise, as when he describes how "we go around frantically shopping for the accoutrements of calm." More typical, however, is the line (borrowed from Wallace Stevens) that "happiness is an acquisition." Yet, even if happiness is an acquisition, that doesn't mean it can be purchased with "plastic." Until they figure that out, Bobos will be in limbo not paradise.

Brooks is too smart not to hedge a bit on his ultimate verdict that "it's good to live in a Bobo world." (Keep in mind, Bobos are both very, very smart and masterful hedgers.) Accordingly, he confesses,

> Some days I look around and I think we have been able to achieve these reconciliations only by making ourselves more superficial, by simply ignoring the deeper thoughts and highest ideals that would torture us if we actually stopped to measure ourselves according to them. Sometimes I think we are too easy on ourselves.

Having made the obligatory obeisance, Brooks then returns to his insight-rich raillery mixed with appreciation.

MUCH of his appreciation of Bobo manners and mores stems from the fact that the information-age elite is the world's first true meritocracy. This is the argument of the book's opening chapter, "The Rise of the Educated Class." Bobos got where they are not by the accident of birth (as did the previous WASP establishment), but by proven worth, re-

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gardless of religion, race, sex, class, or ethnic origin—the proof being their SAT scores and all the degrees and achievements that follow therefrom. Brooks calls them the "Résumé Gods." The data are indeed striking: "The average Harvard freshman in 1952 would have placed in the bottom 10 percent of the Harvard class of 1960." And today, the gentlemanly Cs are not there at all.

It is as if Thomas Jefferson's dream has been realized; it was always Jefferson's contention that the most open democracy would also be the most complete meritocracy. We can thank the Scholastic Aptitude Test for finally defeating what Jefferson called "the tinsel-aristocracy" and establishing "the natural aristocracy." Brooks views the rebellions of the sixties, which followed hard on the heels of the change in college admissions, as the attempt to topple the outmoded WASP ethos and replace it with "a new social code that would celebrate spiritual and intellectual ideals." After all the dust settled (and Brooks does acknowledge there was some dust occasioned by the breakdown of social order and the collapse of the family), we can now see that the sixties countercultural revolution was really a meritocratic revolution.

While it may be true that there has never been so much sheer brainpower in the top ranks of society, it is worth pointing out that aristocracy understood as rule by the best was always thought to require wisdom and prudence, not just "information" and stratospheric SAT scores. It was thought to depend on moral virtue and courage, rather than PR skills and cunning. I simply refuse to believe that William Jefferson Clinton, née William Jefferson Blythe III—Rhodes Scholar and Yale Law though he is—stands as the fulfillment of Jefferson's dream.

Brooks foresees no end to Bobo ascendancy, since it does not perpetuate itself through the exclusion or oppression of others. It is a class without the usual class barriers. But one ought at least to acknowledge that the porosity of Bobodom is obstructed by the failures of public schooling. Vast numbers of America's young are not afforded a fair shot at success. The meritocratic principle is then directly vitiated by public policies like affirmative action and minority set-asides that try to cover up inequalities later rather than preventing them earlier.

THE chapter of *Bobos in Paradise* that sent me into the slough of despond was "Intellectual Life." The humor here is more pointed and bitter, as Brooks sketches the hypothetical

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career of an aspiring intellectual entrepreneur. With subheads like "How to Be an Intellectual Giant," "Subject Niche," "Marketing," "Conferences," culminating in "Television," the tale makes plain the contemporary commodification of ideas. If Bobos spend in a way that sacralizes the profane, then they think in a way that profanes the sacred. (This is visible as well in the chapter on "Spiritual Life.")

I find it incredible for Brooks to have penned this repulsively funny vignette and then to conclude, as he does, that intellectual life is, on balance, better now than in the past. Part of the problem is his limited range of reference. The choice he offers is between his hypothetical social-climbing idea-monger and the "*Partisan Review* crowd" of the 1950s, whom he implies (whether rightly or wrongly I don't know) fit the stereotype of the bohemian intellectual: alienated, garret-dwelling, self-absorbed, and detached from ordinary life. What Brooks never does is acknowledge the possibility of a life of the mind that transcends the modern dialectic of bourgeois and bohemian, and transcends it not by a monstrous amalgamation of the two but by sustained reflection on both the peculiar modern condition and the timeless human condition. The institutional locus of this free life of the mind has, for centuries past, been the university. If that is no longer the case, then we are in serious trouble. Journalism and punditry are not adequate replacements, for they exist almost wholly within the popular and democratic orbit. The university, however, by virtue of transmitting the learning of the past and the experience of other times, places, regimes, and ways, can, to some degree, escape those confines. Ideally, the university can serve as a counterweight to the natural tendency of democracy to think too well of itself. That democratic tendency toward self-congratulation has been amply on display from the time of Tocqueville to the Bobo present.

Very much in the American tradition, Brooks speaks disparagingly of the "detached" intellectual: "Detaching oneself from commercial culture means cutting oneself off from the main activity of American life. That makes it much harder to grasp what is really going on." However, there is a form of knowledge—and a higher one at that—that involves seeing rather than grasping. And philosophic or theoretical detachment (which is quite distinct from alienation), far from impairing vision, is essential to it. Socrates spent his whole life in the marketplace without ever marketing himself. Professors today are not so pure, but the last thing we need is to be cheerily encouraged

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to welcome our prostitution or fatuously instructed in how to perform it.

The only realm of life where Brooks really finds the Bobos falling short is the political. He waxes downright Tocquevillian when he laments that "our national life has become compressed, our public spirit corroded by cynicism, our ability to achieve great things weakened by inaction." He has no complaint with the Bobo emphasis on local community. What he would like, however, is for that revival to serve as the first step toward a renewed sense of patriotism and national greatness. In the final pages, Brooks's flattery of the Bobos reveals itself to have had an ulterior purpose: He wants them to develop a new ethos of public service, to loft their ambition higher and assume the responsibility of leading America into "another golden age." While sympathetic to Brooks's project, I doubt whether the individuals he has sketched in the previous chapters are capable of responding to his appeal. What is required is a recovery of the classic and heroic (Homer, Plutarch, Shakespeare, Lincoln, Churchill), and for that, one would need schools and universities true to their mission. We would have to leave behind intellectual hucksterism for the life of the mind and turn away from the sort of "spiritual life" epitomized by "flexidoxy" toward the genuinely religious life. Great politics cannot exist without a foundation of great thoughts and great sacrifice.

DESPITE finding much to disagree with in *Bobos in Paradise*, I am pleased that it is being bought and read in numbers sufficient to make the best-seller list. It is a book that helps make sense of our topsy-turvy world. It delivers the most concise and illustrative accounts of the characteristic Bobo reversals. (Bobos transform work into creative play, while introducing mandatory health-consciousness into pleasure. They like their leisure austere—the rigors of extreme sports, the discipline of S&M, the physical challenges of eco-tourism—and their religion lax. And on and on.) While the descriptions of the Bobos are brilliant, my own feeling is that the praise of them rings hollow. Who knows, maybe David Brooks even intended it to—that would certainly be a rhetorical strategy worthy of Bobo cleverness. In the end, it is the finely-drawn images that remain in the mind, and along with laughter, they evoke the sort of chagrin, or shame, or disquietude that can further self-knowledge.

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Godly people in the public square

JOHN J. DiIULIO, JR.

THE name George Gallup is synonymous with state-of-the-art opinion polling. The Gallup Organization, which he co-chairs, is most famous for its work on politics, but for decades Gallup himself, age 70, has specialized in the study of religion. We met some five years ago at his Princeton, New Jersey headquarters, and we have been good friends ever since.

In *The Next American Spirituality*,† Gallup and former *Christianity Today* magazine editor Timothy Jones summarize the latest and best evidence on religion in American life. If their main findings are correct, then despite the post-1960 judicial raids against religion in the public square, despite the contempt toward orthodox Christians, Muslims, and Jews practiced by some policy elites, and despite the ever-present temptation that evangelical Christians feel to retreat into their own churches and communities, the twenty-first century could well prove to be the most religious in American history.

As reported by Gallup and Jones, 96 percent of adult Americans believe in God, and more Americans than ever believe intensely. For decades, Gallup has fed yearly survey data into "a kind of Dow-Jones Industrial average" of spirituality that measures eight key religious beliefs and practices. The spirituality index has been rising. Thus, for example, the percentage of Americans who "know God really exists and have no doubts about it" rose from 66 percent in 1987 to 79 percent in 1997. Over the same period, the percentage of Americans who "completely agree" that "prayer is an important part of my daily life" rose from 41 percent to 53 percent. Three-quarters of Americans say they "feel the need to experience spiritual growth." Two-thirds pray each day, and over half pray over meals. When asked which statement comes closer to what they

† Chariot Victor Publishing. 225 pp. $18.99.

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believe, 56 percent of professing Christians chose "I *know* Jesus Christ" over "I *know about* Jesus Christ."

GALLUP and Jones relate this rise in spiritual-seeking-and-finding to Americans' growing concerns about moral depravity amid material prosperity. "Two-thirds of adults in the U.S.," they observe, "say the country's moral and cultural values have changed for the worse since the 1960s.... For the first time in a half-century of surveys on Americans' top national concerns, a Gallup poll conducted in 1999 revealed that 'ethics, morality, and family decline' led the list." Nearly 70 percent of Americans believe "clergy could have a great deal of influence in raising ethical standards." Sixty-one percent, including 83 percent of African-Americans, believe religion "can solve all or most of today's problems."

The 84 percent of Americans who identify themselves as Christians are increasingly concerned about moral rot not just in the nation but also in their own lives. "People of Christian faith," Gallup and Jones write, "remain captive to much of the consumerism, self-absorption, and addictions of the wider culture." In response, Christians are turning not to New Age spiritual remedies but to old-time religious traditions. Thus 47 percent of Americans now describe themselves as "born-again Christians," up from just over a third in 1994. Since 1990, the number of U.S. Catholic dioceses allowing traditional masses (in Latin or a mix of English and Latin) has grown over twentyfold.

When it comes to volunteerism, religious Americans practice what they preach. Gallup and Jones report that about

> half of the members of a church or synagogue did unpaid work in a given year, compared to only a third of nonmembers. Nine in ten gave money to a charity, compared to only seven in ten nonmembers. Eight in ten members gave goods, clothing, or other property to a charitable organization, compared to two-thirds of nonmembers.

Still, the future of religion in American life is by no means assured. Today, the United States is home to over 70 million children. Americans born between 1982 and 2003, sometimes termed the "millennial generation" because the first wave graduated from high school in 2000, will include more school-age children than any youth cohort in American history. While Gallup and Jones present data indicating that the "images of youth wanting only to burn through bucks at the mall" are

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exaggerated, and while they cite survey after survey showing that "teens have a keen interest in helping people who are less fortunate than they are," they concede that the millennial generation hardly seems inclined toward spiritual striving or religious rebirth. For example, only 43 percent of teens "believe it is important to have a deep religious faith," and only 44 percent ever ponder or discuss the "larger questions about who we are, what life means, and how we should understand the universe."

Given that teens are more likely to cheat on tests than to pray for good grades, many religious folks are bound to blame the godless character of our public schools. "Public school systems," Gallup and Jones aver, "have largely turned a cold shoulder to the practice of faith." Well, semi-cold at least. In its decisive 1947 *Everson* decision, the Supreme Court allowed New Jersey to reimburse parents for bus fare to school, including religious schools. But in the same decision, it announced that the "respecting" clause in "Congress shall make no law respecting an establishment of religion" erected a "wall of separation" between church and state. (The "wall of separation" it took from Thomas Jefferson's 1802 letter to a group of Connecticut Baptists.) Confusion has followed ever since: In the term just ended, a six-to-three majority held that using tax dollars to buy computers and other instructional materials for religious schools is constitutional. But in another case, a six-to-three majority held that allowing an elected student representative to deliver a public invocation before high-school football games is unconstitutional.

IN his recent book, *The Ambiguous Embrace: Government and Faith-Based Schools and Social Agencies*,† Boston University education professor Charles L. Glenn accepts the "distinction on the basis of age ... for treating religious activities at the college level more indulgently than those in K-12 schools." He seems puzzled, however, as to "why public funding for faith-based child care programs does not raise the same objections." One possible reason is just plain practical politics. An estimated one-third of all day-care programs in this country are now provided through churches, and most receive direct or indirect public subsidies. To upset this system in the name of upholding the "wall of separation" would be to risk the wrath of millions of working moms. Besides, day-care centers, unlike

† Princeton University Press. 304 pp. $35.00.

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schools, have never been public-employee union strongholds.

Glenn also looks at the effectiveness of Charitable Choice. A frequently overlooked section of the 1996 welfare reform law, it permits religious organizations to compete for government social-welfare vouchers and contracts on the same basis as any other nongovernmental providers of those services. As Glenn notes, while Charitable Choice did "nothing for religious schools," it did cover every major federal social-welfare program. Four years later, however, only a few hundred religious organizations nationwide have been funded via Charitable Choice.

Still, Glenn is correct that "the growing interest in a partnership between government and faith-based social service organizations is based upon a sense that they can reach their clients at a level and with an effectiveness that secular 'treatment-oriented' programs cannot match." "Mediating structures," he argues, "should be used to deliver education and social services because they are better at generating the sense of moral obligation that is essential to both."

AMEN, but are they really better, and, if so, can they work their miracles on a larger scale? I think the answer is very likely yes, but a fair-minded secular skeptic could be forgiven for noticing how little hard evidence supports this conclusion. Most of what we know about the positive social effects of religion concerns churchgoing, not faith-based programs. Glenn devotes 10 pages to Teen Challenge, a biblical program run by committed evangelical Christians who approach drug abuse as a spiritual malaise "the only cure for (which) is Jesus Christ." He quotes a government researcher who described Teen Challenge as "probably the most effective rehabilitation program I have seen anywhere," and he cites several empirical studies, the most exhaustive of which is a recent doctoral dissertation. He also devotes nearly 30 pages to the Salvation Army, which he depicts as "a large, institutionalized operation increasingly detached from the religious life of its members" and highly dependent on government funds.

Some years ago, I did preliminary research on the Salvation Army's programs for drug abusers, focusing on its so-called Adult Rehabilitation Centers, called ARCs. I have also read the research literature on Teen Challenge. To my knowledge, there has yet to be a suitably experimental study of either Teen Challenge or the Salvation Army's ARCs. Thus we do not really know whether these faith-based programs, or others like

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them, outperform their secular counterparts, how they compare to one another, or whether, in any case, it is the "faith" in "faith-based" that mainly determines any observed differences in outcomes.

Following Marvin Olasky, Amy Sherman, and other evangelical Christian analysts whom I also know and respect, Glenn posits that, other things being equal, faith-based programs that are deeply religious will work better than otherwise comparable programs that are only mildly or nominally religious. I would make the same bet, but at this stage, the relative effectiveness of more strongly faith-based programs remains an informed hypothesis, not a settled fact.

Merely because tax-supported secular programs have failed does not mean that religious programs, however motivated, structured, or funded, are bound to succeed—or even merely to fail at a lower net human and financial cost. But an interesting test of both Gallup and Jones's predictions and of Glenn's hopes may occur over the next several years in Philadelphia.

IN 1999, Prison Fellowship (PF) ministries, led by ex-felon Charles W. Colson, worked with some 15,000 churches nationally to deliver nearly half a million Christmas gifts to prisoners' children. Known as Angel Tree, the program is being expanded to reach a million children (half of the nation's average daily population of prisoners' children) by the year 2003. Moreover, PF—an evangelical Christian organization on whose board I actively serve—aims to place at least 150,000 of the Angel Tree children into best-practices mentoring relationships with responsible, churchgoing adults.

To get some idea of how ambitious that goal truly is, note that Big Brothers Big Sisters of America (BBBSA), the nation's oldest and best secular mentoring organization, has barely 160,000 "active matches" nationwide on any given day. Also keep in mind that prisoners' children, the majority of whom reside in the blighted urban neighborhoods of two dozen cities in just fourteen states, are by every measure the most severely at-risk youth in America—at severe risk of domestic abuse, lifelong illiteracy, teen pregnancy, suffering or committing extreme acts of violence, early incarceration, and premature death.

PF is piloting the year-round Angel Tree program, called Evergreen, in Philadelphia. About 400 of the city's 2,000 congregations already have some type of "preschool-to-prison" ministry. Philadelphia mayor John Street has declared it a top priority to encourage church-mentoring programs for prison-

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ers' children. Working on this initiative with Mayor Street is W. Wilson Goode, a former Philadelphia mayor and recently ordained minister who has dedicated himself to mobilizing churches in the city's poorest neighborhoods. All that surely helps. But to make Evergreen work, PF will need to collaborate with BBBSA (which happens to be headquartered in the city) and to form unprecedented ecumenical alliances with an American mosaic of local churches. Such alliances will transcend all of the usual racial and other divides and bring at least some volunteers in from the suburban churches.

HAS the "next American spirituality" penetrated deeply enough to create a stable base of religious people to volunteer in the poorest reaches of American society? Will the "ambiguous embrace" of state and local government bureaucrats who must cooperate in this venture ultimately do more to stimulate or to stymie this effort? If independent program-evaluation research proves that Evergreen has a transformative impact on the life prospects of prisoners' children, will public funds be mobilized to match private investments? Will other cities follow suit, and will a new presidential administration adopt a decidedly faith-friendly posture toward this program and others like it? Stay tuned—and, well, pray.

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Counting heads

WILLIAM PETERSEN

STEVEN Holmes, a *New York Times* reporter, tells us that the Bureau of the Census is "one of the most apolitical of all federal agencies." But according to Vincent Barabba, a former director of the bureau, "The census is one of the most political things we do." The contradiction derives in part from the bureau itself. Calling itself "Factfinder of the Nation," it exercises control over both the allocation of states' relative weight in the House of Representatives and the annual distribution of nearly $200 billion of federal funds to states and localities. With so much clout and money at stake, it is no wonder that the census attracts power brokers, even if its operations are also, in a different sense, controlled by professional statisticians.

This contradiction is not a new story. In the considerable body of writings on the issue, one can point to such recent excellent works as *The Politics of Numbers*, edited by William Alonso and Paul Starr, and *The Politics of Large Numbers*, by the French statistician Alain Desrosières. Now two more works deal with the census in the context of recent enumerations.

For Peter Skerry, a professor at Claremont McKenna College and a senior fellow at the Brookings Institution, "The census is inherently—and properly—political in nature." His *Counting on the Census: Race, Group Identity, and the Evasion of Politics*† closely examines the conflict between science and policy. The second work considered here, *Who Counts?: The Politics of Census-Taking in Contemporary America*,†† announces in its very title that the census is political. Its two authors are Margo J. Anderson, a history professor at the University of Wisconsin-Madison who wrote the first-rate *The American Census: A Social History*, and Stephen E. Fienberg,

† Brookings Institution Press. 261 pp. $25.95.

†† Russell Sage Foundation. 319 pp. $34.95.

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a professor of statistics and social science at Carnegie Mellon University.

SKERRY focuses on the relation between government statistics and racial/ethnic politics, probing the issues with examples from the ethnic enumeration in the 1990 count and in the bureau's plans for 2000. As he points out, only three of the more than 10,000 employees of the bureau are political appointees, and its politically innocent director reports to the Department of Commerce, whose officials orchestrated what a bureau official termed a "takeover."

There is gross confusion about the status of ethnic/racial groups. What began officially as social constructs have now become subjectively meaningful ways for people to identify themselves. Before any enumeration of ethnic groups, census officials have to define them. For example, there was no such category as "Hispanics" before the Census Bureau invented it, and the subsequent collaboration between Mexicans and Puerto Ricans, between South or Central Americans and Cubans—scant though it is—is largely the consequence of their having been melted into this statistical assemblage. Such mergings are now maintained and embellished through self-appointed spokesmen for each major ethnic/racial group, whom the bureau uses for "advice" on how to structure the categories used in the count. The ridiculous "Asian and Pacific Islander" mishmash in the 1990 schedule, for example, was added following constituents' pressure on Congress. As Skerry remarks, "Advocates of affirmative action are certainly not eager to admit that the high political and moral ground on which they stand rests on a foundation of fuzzy categories and squishy numbers."

Congressional oversight has helped politicize the bureau. Years ago, when I was on the faculty of Ohio State University, Conrad Taeuber, a bureau official, made a point of meeting me at a conference. He wanted my advice concerning a House member from Ohio whose supervision of bureau operations was—shall I say?—eccentric. As a prime example, this man, who had a large say on the bureau's budget, remarked that he did not understand why the agency spent so much money counting the populations of states and cities, since when he wanted that information he got it free by looking in the *World Almanac*. I gave Taeuber my sympathy but could offer no counsel.

Essentially Skerry's book is "a brief against census adjustment." His original argument is based not on legal or constitu-

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tional grounds, nor on "fairness" or some other cliché. The principal reason that states and cities demand corrections to the original count is that they assume that revised figures will harvest more federal dollars. But their reasoning, Skerry argues, is based on faulty arithmetic. As he illustrates with a dozen examples, adjustments to the enumeration would in most cases bring the typical plaintiff little or nothing, in some instances would even cost some of the benefits that would have accrued with unaltered figures.

Skerry's argument is more than a bit ironic against the background of the bureau's massive advertising campaign. Americans were not encouraged to join in the count out of a sense of civic duty or any other such obsolescent notion. Rather, we were told that "your community could miss out on its fair share of billions of dollars in federal funds"; a census is important "to ensure that all communities get their fair share of government funding"; "we use the census," according to bureau director Kenneth Prewitt, "in order to take tax dollars and bring them back to the communities."

Skerry has restricted his coverage to two important matters—how ethnic/racial categories are contrived and then counted, and what the financial consequences of a census adjustment would be. As an analysis of these contentious issues, the book could hardly be better.

ANDERSON and Fienberg's book has a broader theme, "the relative distribution of political power and tax dollars triggered by census data." They list several dozen statisticians in and out of the Census Bureau that they consulted; both authors were approached to be expert witnesses in the suit that New York City brought against the bureau; in preparation for this book, they wrote (separately or together) a number of prior works and gathered prodigious masses of background papers.

The book's range can be seen from its table of contents, beginning with a history of the U.S. census; four chapters on the undercounts in 1970, 1980, and 1990; an analysis of the various legal suits challenging recent enumerations; the measurement of race/ethnicity; plans for the 2000 count; and a summary, "The Saga Continues." There are also Appendices A through I, giving technical reports cited in the text; a 10-page list of references; and a well-constructed index.

Though it was known from the first census that not everyone had been included, the undercount became a statistical

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reality when the distinguished demographer Daniel Price compared the 1940 census with counts of men aged 21 to 35 who had registered for the draft. The census missed 2.81 percent of all men in that age category, but a full 13 percent of the blacks. For the next census the bureau developed a post-enumeration survey, which enabled it to adjust the original count with figures gathered from an especially carefully chosen sample.

Whether to use the results of a post-census survey to adjust the first figures became one of the most contentious issues following the 1990 count. Secretary of Commerce Robert A. Mosbacher, a Republican, announced that he found "the evidence in support of adjustment to be inconclusive and unconvincing" and that, therefore, the census would not be adjusted. The Supreme Court eventually validated this policy, but Anderson and Fienberg still regard the decision as unwarranted. Though they hold throughout the book that census-taking is a political process, they deride Republican fears that the use of samples might enable Democrats to cook the figures.

THE immense amount of work in laying a base for *Who Counts?* is to be commended, but one consequence of the many consultations with Census Bureau personnel and the poring over of bureau publications was that the authors became to some degree spokesmen for the bureau. The book begins with a list of 10 "myths," culled from critics of the census or from plaintiffs in suits against the bureau. But the myths on the other side are not so labeled, and what is said about them is not given nearly so much prominence.

For example, the very short commentary on "imputation" is buried in an appendix. "If the bureau had no information about the occupancy status of a housing unit, ... it imputed a status to it, ... either occupied or vacant.... [If the unit was defined as occupied] it imputed a number of people to the household, as well as their characteristics." In the 1970 census, both the existence and the characteristics of 4.9 million persons were imputed. In 1980, the figure was 3.3 million. The authors suggest that the number was much smaller in 1990, for "many of the units that would have undergone imputation were swept into the last-resort category." This is the designation given to census questionnaires that enumerators fill out from possibly correct information from mailmen, neighbors, or building managers, without ever seeing the persons thus listed. In other words, it is the enumerator, not the

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computer, who concocts the data. Many census schedules are incomplete, and one of the items often omitted is race. In the 1990 count, one racial identity in every twenty-five was imputed—that is, identified with the same race as a family member, a housing block co-resident, or some other person.

It is manifestly impossible to conduct a complete and accurate count of several hundred million people. The issue is not only how to produce the most complete and accurate count possible but also how the inevitably imperfect result should be reported. Should the Census Bureau do the best it can to fill in gaps and correct errors, and then publish the data with no warnings for the average user? Or should it rather report accurately the information it actually gathered, with items in each table such as "No response" or "Not identified"? Neither book poses this important question or considers the broad implications of following the first procedure.

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The politics of asylum

PETER H. SCHUCK

BISMARCK famously observed that legislation, like sausage, is something one would rather not see being made. Philip Schrag, whose office is within a stone's throw of the nation's law factory, thinks otherwise. But Schrag's meticulous and valuable chronicle of his immersion in one legislative struggle, titled *A Well-Founded Fear: The Congressional Battle to Save Political Asylum in America*,† provides ample support for the Iron Chancellor's sarcasm. More surprising, however, it also supports Schrag's claim that Congress is remarkably accessible and responsive to the demands of even obscure groups—so long as they have dramatic stories to tell and can tell them well. Many will find this as reassuring as he does, while others—quite apart from this particular struggle over asylum policy—will find in it cause for concern.

In the summer of 1995, as congressional Republicans mounted a campaign in favor of highly controversial legislative proposals to restrict both legal and illegal immigration, Schrag decided to get involved in the impending battle. A veteran law professor at Georgetown, a former arms-control official, and a tireless, imaginative advocate for the poor, Schrag came to the fray with immense talent and passion but almost no legislative experience. Although he opposed a number of refugee-restricting proposals in the pending bills, including a ceiling on the number of refugees admitted from overseas and a procedure to exclude aliens arriving in the United States without valid visas, he decided to target a provision that would limit severely the time after arrival in the United States for filing an asylum application.

When his students seemed unwilling to take up the challenge, he and Michele Pistone, a lawyer on *pro bono* loan from her corporate law firm, helped to organize a loose-jointed coalition of like-minded individuals and nonprofit groups, the

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Committee to Preserve Asylum (CPA), to lobby against time limits. Although his narrative proceeds chronologically and the outcome was always in doubt until (indeed after) the legislation's enactment just before the 1996 elections, I shall not hold you in suspense: CPA and its allies managed to win important concessions on all of the issues they took on.

EXPLAINING precisely how this happened is the challenging task that Schrag has set for himself. To our great benefit, he largely succeeds. I know of no account of the legislative process that provides this level of detail. (The only possible exception is Eric Redman's classic, *The Dance of Legislation*, written almost 30 years ago when Congress was a very different institution.) Schrag achieves a comprehensiveness and particularity that even his admirably clear, spare, and graceful writing cannot always render interesting. If his scrupulosity of detail makes this a book that only an asylum specialist could love, it is also one that anyone interested in the policy process should read. Aided by a useful glossary of technical terms, appendices containing key documents, a good index, a side-by-side chart comparing competing legislative proposals, and a patient elaboration of necessary context, this is as reader-friendly an account of a bewilderingly labyrinthine legislative process as we are ever likely to get.

Readers who think of "thoughtful liberal" as an oxymoron will find Schrag a striking exception. His political commitments do sometimes shine through. He seems to view "public interest group" as a self-evident moral fact rather than as the self-justifying, rhetorically useful term that it is; he occasionally exaggerates (e.g., about the amount of anti-immigrant sentiment in the late 1990s); and he can condescend (e.g., Republicans, it seems, may be libertarian but are never "progressive"). In general, however, Schrag is a shrewd, balanced, astute, and reliable narrator-analyst—notable virtues on a subject that arouses strong passions and ideological smugness on all sides.

Asylum is also a policy domain in which anecdote often takes the place of generalizable fact. Schrag shows how the CPA used narratives about particularly horrible instances of persecution effectively, just as its opponents, led by former senator Alan Simpson and House subcommittee chairman Lamar Smith, used a vivid "60 Minutes" segment to show that the asylum system was rife with fraud and abuse. The power of these warring stories, far more than hard data, seemed to

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shape the legislative outcome, with the media playing its familiar but inherently inconsistent roles of appraiser, generator, and promoter of the competing images.

ANALYSIS-BY-ANECDOTES and politics-by-pictures, of course, are not peculiar to asylum law. Nevertheless, they are particularly congenial to debates over human-rights issues, as the recent Elian Gonzalez imbroglio confirms. The legislative politics of asylum is unusual in other ways, among them that little of this politics even existed before 1996. Congress adopted a one-sentence provision in 1980 authorizing the attorney general to set up an asylum program by regulation, and it later added a crypto-asylum program of temporary-protected status. In policy terms, however, the INS, the federal courts, and the asylum advocates did all of the heavy lifting.

Schrag's account limns characteristic aspects of asylum politics other than its mediagenic quality. Unlike tax law or pork-barrel politics, it is a fight not over money but over humanitarian ideals. (To the asylee, of course, it is much more than this.) In addition, asylum policy primarily involves "inside-the-beltway" politics, though Schrag shows how strategically mobilized grass-roots advocacy contributed to CPA's partial success. Political inertia, always a critical factor, helped the advocates, who favored the relatively liberal status quo. The foundation of expansive protection built after 1980 by the courts (and to some degree, the INS) meant that they needed only to block change, always easier than reforming the system. And although Schrag depicts this as a David-and-Goliath struggle—small hand-to-mouth advocacy groups pitted against a powerful Republican congressional establishment aided by some errant Democrats—little David included such groups as the ACLU and the Catholic Conference with their important constituencies, policy offices in Washington, and invaluable resources, and others like the Lawyers Committee for Human Rights which enjoy generous foundation and law-firm support.

Even more instructive than what *A Well-Founded Fear* tells us about asylum politics, however, is what it teaches about congressional politics more generally. In an extremely perceptive final chapter, Schrag proposes 16 "hypotheses" that can be tested by other case studies. Although he offers them for use by "public interest" advocates, they will enlighten anyone interested in the process, especially cynics about American politics. Drawing on his case study, he emphasizes how open, fluid, and participatory legislative politics can be; the effec-

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tiveness of lobbying unaccompanied by campaign contributions; the immense energy and time required to shape legislation over a two-year period and the emotional roller-coaster this entails; the ability of even poorly funded groups to influence policy agendas; the value of the administration's support even (or especially) when it does not control Congress; the tactical significance of issue packaging; the centrality of procedure, both in Congress and in the laws that it enacts; the importance of timing, contingency, and sheer "dumb luck"; and the value of personal meetings with members and staff.

THREE of these hypotheses deserve special attention—one because its obviousness is exceeded only by its neglect, another because it makes a subtle point that is seldom discussed, and the last because it seems belied by the case study itself. The first is that "one's potential opponents are often central to a winning strategy, and it is important not to stereotype them." Schrag points out that asylum groups had "never courted the Republicans who were now in charge," and he adds that contemporary politics creates new opportunities for liberal-libertarian majorities. People prefer to speak to those who already agree with them, and political operatives are no exception. This mindset, reinforced perhaps by a lack of political imagination and self-confidence, helps to explain why the asylum advocates seemed surprised to learn, after speaking with Republicans like Orrin Hatch, Alan Simpson, and Mike DeWine, that they were reasonable people with plausible and sometimes powerful, if not ultimately persuasive, concerns.

A more interesting and novel point is what Schrag calls the agony of fallback positions. He shows how the need to think about possible concessions to the opposition created political strains within his coalition, raised quite nettlesome ethical questions about whether and to whom within the coalition possible fallback positions should be disclosed, and complicated its external relationships and tactics. These issues are especially vexing for a coalition comprised of groups that think of themselves as representing not merely interests but precious ideals.

Finally, Schrag insists that "facts matter." His account assiduously describes the parts of the legislative process he could observe or uncover and the litany of *ipse dixit* by advocates on both sides. But it provides relatively few facts of the kind we need in order to appraise the asylum system's fairness and effectiveness or even that of the policy process that produced

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it. Schrag does emphasize certain policy-relevant facts—that many asylum seekers desperately need protection, and that the system now functions better than it did before reforms were adopted in 1995—but other facts receive much less attention. For example, many asylum seekers need no protection, since they use the process mainly to delay or even defeat removal; and most of these would simply disappear into the large mass of undocumented workers if the INS did not "detain" (or at least closely monitor) them during the process. In this way, bogus asylum seekers seriously harm the genuine ones.

THE lawyers, professors, and foundations on one side and the INS on the other see themselves primarily as advocates, so we cannot look only to them for the facts we need to make the hard, morally ambiguous choices demanded by a sound asylum policy. Schrag's fine book, perhaps unwittingly, helps us to understand why our politicized, adversarial, and fragmented asylum system obscures and thus oversimplifies these choices.

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